

EXHIBIT A

Declaration of Majed Toqan

I, Majed Toqan, make this Declaration based on my first-hand knowledge.

1. I am currently the President, Director, and Shareholder of Creative Power Solutions (USA) Inc. (hereafter “CPS”).
2. Brent Gregory (hereafter “Brent”) was hired by CPS to act as President of CPS.
3. CPS hired Chris Bohilla (hereafter “Chris”) as an engineer.
4. Based upon a review of records, Brent and Chris formed ESG on December 24, 2014.
5. From 2015 onwards, records indicate that Brent moved CPS employees from CPS’ payroll to ESG’s payroll.
6. These employees still performed work on CPS contracts then existing with CPS’ external clients.
7. ESG would then bill CPS for these employees’ work which was performed on CPS contracts.
8. The rates ESG charged to CPS were balanced by what CPS charged its external clients.
9. The scheme, as executed by Brent and Chris, left only a small difference between what CPS charged to the external clients and what ESG billed to CPS, which resulted in a substantial decrease in profits to CPS.
10. There was no legitimate reason for ESG to move CPS employees and then bill CPS for those employees efforts on existing CPS contracts.
11. Most of the profits CPS would have made had the employees remained on CPS’ payroll were redirected to ESG through the invoiced amounts ESG sent to CPS for the employees ESG moved and for work employees performed on CPS contracts.

12. All of the employees that were moved from CPS to ESG remained stationed in the CPS office using CPS servers, computers, equipment, stationary, etc.
13. According to the CPS Controller, Rebecca Dent, Brent instructed her to hide and coverup the existence of ESG and the embezzlement scheme. (Please see declaration of Rebecca Dent, filed concurrently).
14. The profits from ESG were then directed to Brent Gregory, Maria Gregory, the Montaldeo Revocable Trust, Chris Bonilha, and Evellyn Ancheschi (Please see K-1 schedules attached hereto).
15. At the time Brent and Chris were employed with CPS, I had no knowledge of the existence of Energy Services Group.
16. At all times, I believed and it was represented that all employees were on CPS' payroll.
17. At no time was ESG authorized to move CPS employees to its payroll.
18. At no time was ESG contracted with CPS to provide employment services.
19. At all times, it was my assumption that CPS employees were on CPS payroll.
20. After a forensic review of CPS' computers and networks, I was able to locate the attached email exchange between Chris and Brent dated April 2019 (attached hereto).
21. The email implies that Chris was having second thoughts about ESG and was concerned about its legality.
22. Additionally, I had asked Brent that the Quickbook records be uploaded online.
23. It has since been determined that Brent provided CPS shareholders with a set of books, while he maintained a different set which he maintained and

managed at the CPS USA office.

24. In 2007 and 2008, Brent convinced the shareholders to establish the CPS office in Fountain Hills, rather than Scottsdale as requested.
25. Recently, it became known that Brent owned the Fountain Hills office location when he convinced the company shareholders to move there in 2007.
26. At no time did Brent inform the shareholders that he owned the office under an alias name, a company called SBH.
27. When the real estate market crashed in 2008, Brent created a company by the name of Gregory Toqan Enterprises to buy the office from his company. He did not inform me or any of the other shareholders that he owned the Fountain Hills property. He mentioned that CPS would lower its operating costs if it owned the property.
28. Although I was a partner in Gregory Toqan Enterprises, I had no knowledge of his scheme.
29. Ownership of the building was transferred to CPS in 2012 once CPS was able to obtain a bank loan.
30. At no time during this four (4) year process did Brent disclose his personal interest in CPA remaining in the Fountain Hills location.
31. Brent also misappropriated company funds and used CPS funds for personal gain at the expense of the shareholders dating back to 2007.
32. Based upon a review of all of the records, it was determined that Brent used CPS funds for unauthorized Amazon purchases for personal use.
33. Brent used CPS funds for personal groceries, fuel, car repairs, restaurants, hotels, travel, home internet and communications bills, etc.
34. Brent used CPS funds for salaries/services costs provided by caretakers for the care of his disabled son.

35. Brent's claimed travel expenses often included places/locations to which CPS never obtained any benefit and did not include any justification or explanation for CPS business.
36. Brent had a standard health insurance as an employee with standard deductibles.
37. Brent charged all of the healthcare deductibles to the company.
38. Brent also expanded his health insurance and signed up for a health concierge service, which was not part of his compensation package.
39. Costs for the concierge healthcare services were charged to CPS.
40. In his last act as a President of the company, Brent sent an email announcing his retirement on November 15, 2019, and his final working day in the company was October 17, 2019. According to his contract, he was entitled to a 2-week yearly vacation. Brent took 28 days off during the month of July that year. This meant that he was not entitled for pay for half of October and November. But since he was in charge with the company bank accounts, he transferred to himself funds covering his salary for the remaining part of October and the first half of November.

UNDER OATH OR BY AFFIRMATION:

I swear or affirm under penalty of perjury that the contents of this document are true and correct to the best of my knowledge and belief.

Dated this ____ day of September, 2021

Majed Toqan

Majed Toqan

- Notary not required under Arizona Rules of Civil Procedure, Rule 80(c)

Signature: Majed Toqan
Majed Toqan (Sep 24, 2021 22:54 GMT+4)

Email: majed.toqan@cpsag.ch

Lloyd J. Levidow, CPA, P.C.
15333 N. Pima Road
Suite 266
Scottsdale, AZ 85260

2016 Partnership Return
prepared for:
ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018

Lloyd J. Levidow, CPA PC
15333 N PIMA RD STE 265
SCOTTSDALE, AZ 85260-2637

PRIVACY POLICY

CPAs, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

TYPES OF NONPUBLIC PERSONAL INFORMATION WE COLLECT

We collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization.

PARTIES TO WHOM WE DISCLOSE INFORMATION

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees and, in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CURRENT AND FORMER CLIENTS' INFORMATION

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

2016	FEDERAL INCOME TAX SUMMARY		PAGE 1
ENERGY SERVICES GROUP, LLC			
	2016	2015	DIFF
TRADE OR BUSINESS INCOME			
GROSS RECEIPTS LESS RETURNS	772,691	217,216	555,475
GROSS PROFIT	772,691	217,216	555,475
TOTAL INCOME (LOSS)	772,691	217,216	555,475
TRADE OR BUSINESS DEDUCTIONS			
SALARIES AND WAGES (LESS EMP. CREDITS)	304,179	139,563	164,616
REPAIRS AND MAINTENANCE	0	25	-25
TAXES AND LICENSES	31,810	11,431	20,379
OTHER DEDUCTIONS	181,419	46,644	134,775
TOTAL DEDUCTIONS	517,408	197,663	319,745
SCHEDULE K - INCOME			
ORDINARY BUSINESS INCOME (LOSS)	255,283	19,553	235,730
SCHEDULE K - SELF-EMPLOYMENT			
NET EARN. (LOSS) FROM SELF-EMPLOYMENT	104,582	9,581	95,001
SCHEDULE K - OTHER			
NONDEDUCTIBLE EXPENSES	552	76	476
DISTRIBUTIONS OF CASH & MARKETABLE SEC	19,554	0	19,554
SCHEDULE L - BALANCE SHEET			
BEGINNING ASSETS	40,811	0	40,811
BEGINNING LIABILITIES AND CAPITAL	40,811	0	40,811
ENDING ASSETS	275,965	40,811	235,154
ENDING LIABILITIES AND CAPITAL	275,965	40,811	235,154

2016	FEDERAL BALANCE SHEET SUMMARY	PAGE 1
ENERGY SERVICES GROUP, LLC		
ENDING ASSETS		
CASH		272,965
OTHER CURRENT ASSETS		3,000
TOTAL ASSETS		275,965
ENDING LIABILITIES & CAPITAL		
OTHER CURRENT LIABILITIES		21,311
PARTNERS' CAPITAL ACCOUNTS		254,654
TOTAL LIABILITIES AND CAPITAL		275,965

2016		ARIZONA INCOME TAX SUMMARY		PAGE 1
ENERGY SERVICES GROUP, LLC				
	2016	2015	DIFF	
FEDERAL ORDINARY AND RENTAL INCOME				
ORDINARY BUSINESS AND RENTAL INCOME	255,283	19,553	235,730	
ADJUSTMENTS TO PARTNERSHIP INCOME				
AZ ADDITIONS TO PARTNERSHIP INCOME	0	0	0	
AZ SUBTRACTIONS FROM PARTNERSHIP INCOME	0	0	0	
PARTNERSHIP INCOME ADJUSTED TO AZ BASIS	255,283	19,553	235,730	

2016		GENERAL INFORMATION		PAGE 1
ENERGY SERVICES GROUP, LLC				
FORMS NEEDED FOR THIS RETURN				
FEDERAL: 1065, SCH B-1, SCH K-1, 7004				
ARIZONA: 165, SCH K-1				
CARRYOVERS TO 2017				
NONE				

Form 7004
(Rev. December 2016)

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0223

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

File a separate application for each return.
Information about Form 7004 and its separate instructions is at www.irs.gov/form7004.

Name
ENERGY SERVICES GROUP, LLC
Number, street, and room or suite number. (If P.O. box, see instructions.)
3033 N 37TH STREET #10
City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code))
PHOENIX, AZ 85018

Print or Type

Note: File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

Part I Automatic Extension for C Corporations With Tax Years Ending December 31. See instructions.

1a Enter the form code for the return listed below that this application is for:

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

Part II Automatic Extension for Certain Estates and Trusts. See instructions.

b Enter the form code for the return listed below that this application is for:

Application Is For:	Form Code	Application Is For:	Form Code
Form 1041 (estate other than a bankruptcy estate)	04	Form 1041 (trust)	05

Part III Automatic Extension for Entities Not Using Part I, II, or IV. See instructions.

c Enter the form code for the return listed below that this application is for:

Application Is For:	Form Code	Application Is For:	Form Code
Form 705-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 705-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-GFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-C	34	Form 8725	30
Form 1120-F	15	Form 8804	31
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

Part IV Automatic Extension for C Corporations With Tax Years Ending June 30. See instructions.

d Enter the form code for the return listed below that this application is for:

Application Is For:	Form Code	Application Is For:	Form Code
Form 1120	12	Form 1120-ND (section 4951 taxes)	20
Form 1120-C	34	Form 1120-PC	21
Form 1120-F	15	Form 1120-POL	22
Form 1120-FSC	16	Form 1120-REIT	23
Form 1120-H	17	Form 1120-RIC	24
Form 1120-L	18	Form 1120-SF	26
Form 1120-ND	19		

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. GPC20701L 09/19/16 Form 7004 (Rev. 12-2016)

Form 7004 (Rev. 12-2016) ENERGY SERVICES GROUP, LLC

Part V All Filers Must Complete This Part

2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here: ☐

3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here: ☐
If checked, attach a statement listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here: ☐

5a The application is for calendar year 20 16, or tax year beginning _____, 20____, and ending _____, 20____.

b Short tax year. If this tax year is less than 12 months, check the reason: ☐ Initial return ☐ Final return
☐ Change in accounting period ☐ Consolidated return to be filed ☐ Other (see instructions – attach explanation)

6 Tentative total tax: 6 0.

7 Total payments and credits (see instructions): 7 0.

8 Balance due. Subtract line 7 from line 6 (see instructions): 8 0.

Form 7004 (Rev. 12-2016)

Form 1065 U.S. Return of Partnership Income
For calendar year 2016, or tax year beginning ending 2016
OMB No. 1545-0043

Department of the Treasury
Internal Revenue Service

CONSULTING
Principal business activity

SERVICE
Principal product or service

ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018

541990
Business code number

2016
Employer identification no.

1/01/2015
Date business started

275,965.
Total assets (see the instructions)

Amended return

Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

Check accounting method: (1) Cash (2) Accrual (3) Other (specify):

Number of Schedules K-1: Attach one for each person who was a partner at any time during the tax year

Check if Schedules C and M-3 are attached:

Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

1a	Gross receipts or sales	772,691.
1b	Returns and allowances	
2	Cost of goods sold (attach Form 1125-A)	
3	Gross profit. Subtract line 2 from line 1c	772,691.
4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	
5	Net farm profit (loss) (attach Schedule F (Form 1040))	
6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	
7	Other income (loss) (attach statement)	
8	Total income (loss). Combine lines 3 through 7	772,691.
9	Salaries and wages (other than to partners) (less employment credits)	304,179.
10	Guaranteed payments to partners	
11	Repairs and maintenance	
12	Bad debts	
13	Rent	
14	Taxes and licenses	31,810.
15	Interest	
16a	Depreciation (if required, attach Form 4562)	
16b	Less depreciation reflected on Form 1125-A and elsewhere on return	
17	Depletion (Do not deduct oil and gas depletion.)	
18	Retirement plans, etc.	
19	Employee benefit programs	
20	Other deductions (attach statement)	SEE STATEMENT
21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20	517,408.
22	Ordinary business income (loss). Subtract line 21 from line 8	255,283.

Sign Here
Signature of general partner or limited liability company member manager
Date
Check if ☒ Yes ☐ No with the proposed return (see instructions)

Paid Preparer Use Only
Print/Type preparer's name
Date
Check if ☒ Yes ☐ No self-employed
Firm's name
Firm's address
Firm's EIN
Phone no.
BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 1065 (2016) ENERGY SERVICES GROUP, LLC Page 2

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:
a ☒ Domestic general partnership b ☐ Domestic limited partnership
c ☒ Domestic limited liability company d ☐ Domestic limited liability partnership
e ☐ Foreign partnership f ☐ Other

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person? ☒ Yes ☐ No

3 At the end of the tax year:
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If Yes, attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. ☒ Yes ☐ No
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If Yes, attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership. ☒ Yes ☐ No
c At the end of the tax year, did the partnership:
1 Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If Yes, complete (i) through (iv) below. ☒ Yes ☐ No
(i) Name of Corporation (ii) Employer Identification Number (if any) (iii) Country of Incorporation (iv) Percentage Owned in Voting Stock
2 Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If Yes, complete (i) through (iv) below. ☒ Yes ☐ No
(i) Name of Entity (ii) Employer Identification Number (if any) (iii) Type of Entity (iv) Country of Organization (v) Maximum Percentage Owned in Profit, Loss, or Capital

5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(vi) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details. ☒ Yes ☐ No

6 Does the partnership satisfy all four of the following conditions?
a The partnership's total receipts for the tax year were less than \$250,000. ☒ Yes ☐ No
b The partnership's total assets at the end of the tax year were less than \$1 million. ☒ Yes ☐ No
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. ☒ Yes ☐ No
d The partnership is not filing and is not required to file Schedule M-3. ☒ Yes ☐ No
If Yes, the partnership is not required to complete Schedules L, M-1, and M-2, Item F on page 1 of Form 1065; or Item L on Schedule K-1.

7 Is this partnership a publicly traded partnership as defined in section 469(b)(2)? ☒ Yes ☐ No

8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? ☒ Yes ☐ No

9 Has this partnership filed, or is it required to file, Form 9918, Material Advisor Disclosure Statement, to provide information on any reportable transaction? ☒ Yes ☐ No

10 At any time during calendar year 2016, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form 1065, Part III, Report of Foreign Bank and Financial Accounts (FBAR). If Yes, enter the name of the foreign country. ☒ Yes ☐ No

Form 1065 (2016) ENERGY SERVICES GROUP, LLC Page 3

Schedule B Other Information (continued)

11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If Yes, the partnership may have to file Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions. ☒ Yes ☐ No

12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? ☒ Yes ☐ No
See instructions for details regarding a section 754 election.

b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If Yes, attach a statement showing the computation and allocation of the basis adjustment. See instructions. ☒ Yes ☐ No

c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If Yes, attach a statement showing the computation and allocation of the basis adjustment. See instructions. ☒ Yes ☐ No

13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year). ☐ Yes ☒ No

14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property? ☒ Yes ☐ No

15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions. ☒ Yes ☐ No

16 Does the partnership have any foreign partners? If Yes, enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ☒ Yes ☐ No

17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ☒ Yes ☐ No

18a Did you make any payments in 2016 that would require you to file Form(s) 1099? See instructions. ☒ Yes ☐ No
b If Yes, did you or will you file required Form(s) 1099? ☒ Yes ☐ No

19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ☒ Yes ☐ No

20 Enter the number of partners that are foreign governments under section 892. ☒ Yes ☐ No

21 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)? ☒ Yes ☐ No

22 Was the partnership a specified domestic entity required to file Form 9938 for the tax year (See the instructions for Form 9938)? ☒ Yes ☐ No

Designation of Tax Matters Partner (see instructions)
Enter below the general partner or member manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	Modifying number of TMP
Address of designated TMP	Phone number of TMP

Form 1065 (2016) ENERGY SERVICES GROUP, LLC Page 4

Schedule K Partners' Distributions

	Total amount
1 Ordinary business income (loss) (page 1, line 22)	255,283.
2 Net rental real estate income (loss) (attach Form 8825)	
3a Other gross rental income (loss)	
b Expenses from other rental activities (attach stmt)	
c Other net rental income (loss). Subtract line 3b from line 3a	
4 Guaranteed payments	
5 Interest income	
6 Dividends: a Ordinary dividends b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) b Collectibles (28%) gain (loss) c Recaptured section 1250 gain (attach statement)	
10 Net section 1231 gain (loss) (attach Form 4797)	
11 Other income (loss) (see instructions) Type	
12 Section 179 deduction (attach Form 4562)	
13a Contributions b Investment interest expense c Section 58(c)(2) expenditures (1) Type (2) Amount d Other deductions (see instructions) Type	
14a Net earnings (loss) from self-employment b Gross farming or fishing income c Gross nonfarm income	104,582.
15a Low-income housing credit (section 42(i)(5)) b Low-income housing credit (other) c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) d Other rental real estate credits (see instructions) Type e Other rental credits (see instructions) Type f Other credits (see instructions) Type	
16a Name of country or U.S. possession b Gross income from all sources c Gross income sourced at partner level d Foreign gross income sourced at partnership level e Passive category f Other g Interest expense h Other i Deductions allocated and apportioned at partner level j Deductions allocated and apportioned at partnership level to foreign source income k Other l Total foreign taxes (check one): Paid Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement)	
17a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach stmt)	
18a Tax-exempt interest income b Other tax-exempt income c Nondeductible expenses	
19a Distributions of cash and marketable securities b Distributions of other property	552.
20a Investment income b Investment expenses c Other items and amounts (attach stmt)	19,554.

BAA

Schedule K-1
(Form 1065)

2016

Department of the Treasury
Internal Revenue ServiceFor calendar year 2016, or tax
year beginning ending 2016Partner's Share of Income, Deductions,
Credits, etc.
See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018C IRS Center where partnership filed return
OGDEN, UT

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP codeMONTALDEO REVOCABLE TRUST
860 N PIONEER
MESA, AZ 85203G General partner or LLC member manager
H Domestic partner Foreign partner
I What type of entity is this partner? **INDIVIDUAL**

J Is this partner a retirement plan (IRA/SEP/Keogh/etc.), check here

K Partner's share of profit, loss, and capital (see instructions):

Beginning Ending
Profit 51 51
Loss 51 51
Capital 51 51L Partner's share of liabilities at year end:
Nonrecourse 3,947
Qualified nonrecourse financing
RecourseM Did the partner contribute property with a built-in gain or loss?
Yes No

N If "Yes," attach statement (see instructions)

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2016

PARTNER 2

PTPA0112, 08/26/16

Schedule K-1
(Form 1065)

2016

Department of the Treasury
Internal Revenue ServiceFor calendar year 2016, or tax
year beginning ending 2016Partner's Share of Income, Deductions,
Credits, etc.
See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
B Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018C IRS Center where partnership filed return
OGDEN, UT

D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
F Partner's name, address, city, state, and ZIP codeCHRISTOPHER BONILHA
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018G General partner or LLC member manager
H Domestic partner Foreign partner
I What type of entity is this partner? **INDIVIDUAL**

J Is this partner a retirement plan (IRA/SEP/Keogh/etc.), check here

K Partner's share of profit, loss, and capital (see instructions):

Beginning Ending
Profit 49 49
Loss 49 49
Capital 49 49L Partner's share of liabilities at year end:
Nonrecourse 3,170
Qualified nonrecourse financing
Recourse 13,572M Did the partner contribute property with a built-in gain or loss?
Yes No

N If "Yes," attach statement (see instructions)

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2016

PARTNER 3

PTPA0112, 08/26/16

Schedule K-1 (Form 1065) 2016 ENERGY SERVICES GROUP, LLC

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Report on
1	Ordinary business income (loss)
2	Net rental real estate income (loss)
3	Other net rental income (loss)
4	Guaranteed payments
5	Interest income
6	Ordinary dividends
6b	Qualified dividends
7	Royalties
8	Net short-term capital gain (loss)
9	Net long-term capital gain (loss)
9b	Collectibles (28%) gain (loss)
9c	Unrecaptured section 1250 gain
10	Net section 1231 gain (loss)
11	Other income (loss)
12	Section 179 deduction
13	Other deductions
14	Self-employment earnings (loss)
15	Credits
16	Foreign transactions
17	Alternative minimum tax (AMT) items
18	Tax-exempt income and nondeductible expenses
19	Distributions
20	Other information

PARTNER 2: MONTALDEO REVOCABLE TRUST

PTPA0112, 08/26/16 Schedule K-1 (Form 1065) 2016

Schedule K-1 (Form 1065) 2016 ENERGY SERVICES GROUP, LLC

Page 2

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15	Credits
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17	Alternative minimum tax (AMT) items
18	Tax-exempt income and nondeductible expenses
19	Distributions
20	Other information

PARTNER 3: CHRISTOPHER BONILHA

PTPA0112, 08/26/16 Schedule K-1 (Form 1065) 2016

2016		FEDERAL STATEMENTS	PAGE 1
ENERGY SERVICES GROUP, LLC			
STATEMENT 1 FORM 1065, LINE 20 OTHER DEDUCTIONS			
ACCOUNTING		\$	1,430.
AUTO AND TRUCK EXPENSE		9,110.	
COMPUTER - SERVICE		9,337.	
CONTINUING EDUCATION		500.	
INSURANCE		2,879.	
LEGAL AND PROFESSIONAL		1,025.	
MARKETING		500.	
MEALS AND ENTERTAINMENT		553.	
MISCELLANEOUS		400.	
OFFICE EXPENSE		3,193.	
OUTSIDE SERVICES		145,845.	
SUPPLIES		196.	
TELEPHONE		1,200.	
TRAVEL		3,451.	
UTILITIES		1,800.	
TOTAL		\$	181,419.
STATEMENT 2 FORM 1065, SCHEDULE L, LINE 6 OTHER CURRENT ASSETS			
		BEGINNING	ENDING
ADVANCE PAYMENT		\$ 0.	\$ 3,000.
TOTAL		\$ 0.	\$ 3,000.
STATEMENT 3 FORM 1065, SCHEDULE L, LINE 17 OTHER CURRENT LIABILITIES			
		BEGINNING	ENDING
DUE TO C BONIHA		\$ 14,958.	\$ 13,572.
PAYROLL LIABILITIES		6,376.	7,739.
TOTAL		\$ 21,334.	\$ 21,311.
STATEMENT 4 FORM 1065, SCHEDULE M-2, LINE 4 OTHER INCREASES			
TRANSFER OF CAPITAL		\$	20,035.
TOTAL		\$	20,035.

2016		FEDERAL STATEMENTS	PAGE 2
ENERGY SERVICES GROUP, LLC			
STATEMENT 5 FORM 1065, SCHEDULE M-2, LINE 7 OTHER DECREASES			
TRANSFER OF CAPITAL		\$	20,035.
TOTAL		\$	20,035.

Arizona Form 1065		Arizona Partnership Income Tax Return		2016
For the year beginning on December 31, 2015, Form 1065 is due on or before the 15th day of the 1st month following the close of the taxable year.				
For the <input checked="" type="checkbox"/> calendar year 2016 or <input type="checkbox"/> fiscal year beginning and ending				
Business Telephone Number (with area code)	Name		CHECK ONE: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended	
303-564-1536	ENERGY SERVICES GROUP, LLC		Employer identification number (EIN)	
Business Activity Code (from Federal Form 1065)	Address - number and street or P.O. box		State ZIP Code	
541990	3033 N 37TH STREET #10		PHOENIX, AZ 85018	
(68) Check box if: <input type="checkbox"/> this is a first return <input type="checkbox"/> Name change <input type="checkbox"/> Address change				
Check box if return filed under extension: <input checked="" type="checkbox"/> 82E <input type="checkbox"/> 82F <input type="checkbox"/> 82G <input type="checkbox"/> 82H <input type="checkbox"/> 82I <input type="checkbox"/> 82J <input type="checkbox"/> 82K <input type="checkbox"/> 82L <input type="checkbox"/> 82M <input type="checkbox"/> 82N <input type="checkbox"/> 82O <input type="checkbox"/> 82P <input type="checkbox"/> 82Q <input type="checkbox"/> 82R <input type="checkbox"/> 82S <input type="checkbox"/> 82T <input type="checkbox"/> 82U <input type="checkbox"/> 82V <input type="checkbox"/> 82W <input type="checkbox"/> 82X <input type="checkbox"/> 82Y <input type="checkbox"/> 82Z <input type="checkbox"/> 82AA <input type="checkbox"/> 82AB <input type="checkbox"/> 82AC <input type="checkbox"/> 82AD <input type="checkbox"/> 82AE <input type="checkbox"/> 82AF <input type="checkbox"/> 82AG <input type="checkbox"/> 82AH <input type="checkbox"/> 82AI <input type="checkbox"/> 82AJ <input 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type="checkbox"/> 82ZX <input type="checkbox"/> 82ZY <input type="checkbox"/> 82ZZ				
Adjustment of Partnership Income From Federal to Arizona Basis				
1	Federal ordinary business and rental income from Form 1065, Schedule K. See instructions.	1	255,283.	
SCHEDULE A Additions to Partnership Income				
A1	Total federal depreciation	A1		
A2	Non-Arizona municipal bond interest	A2		
A3	Additions related to Arizona tax credits	A3		
A4	Other additions to partnership income	A4		
2	Total additions to partnership income. Add lines A1 through A4.	2		
3	Subtotal: Add lines 1 and 2.	3	255,283.	
SCHEDULE B Subtractions From Partnership Income				
B1	Recalculated Arizona depreciation. See instructions.	B1		
B2	Basis adjustment for property sold or otherwise disposed of during the taxable year - see instructions.	B2		
B3	Interest from U.S. government obligations	B3		
B4	Difference in adjusted basis of property	B4		
B5	Agricultural crops charitable contribution. See instructions.	B5		
B6	Other subtractions from partnership income	B6		
4	Total subtractions from partnership income. Add lines B1 through B6.	4		
5	Partnership income adjusted to Arizona basis. Subtract line 4 from line 3.	5	255,283.	
6	Net adjustment of partnership income from federal to Arizona basis. Subtract line 1 from line 5.	6		
Penalty				
7	Penalty for late filing or incomplete filing. See instructions.	7		

Name (as shown on page 1)		EIN	
ENERGY SERVICES GROUP, LLC		[REDACTED]	
SCHEDULE C Apportionment Formula (Multistate Partnerships Only)			
IMPORTANT: Qualifying air carriers must use Arizona Schedule ACA. Qualifying multistate service providers must include Arizona Schedule MSP. See Form 1065 instructions beginning on page 7.			
	COLUMN A Total Within Arizona Round to nearest dollar	COLUMN B Total Everywhere Round to nearest dollar	COLUMN C Ratio Within Arizona A ÷ B
C1 Property Factor			
Value of real and tangible personal property (by averaging the value of owned property at the beginning and end of the tax period; rented property at capitalized value).			
a Owned property (at original cost):			
Inventories			
Depreciable assets (do not include construction in progress)			
Land			
Other assets (describe):			
Less: Nonbusiness property (if included in above totals)			
Total of section a			
b Rented property (capitalized at 8 times net rental paid)			
c Total owned and rented property (section a total plus section b)			
d Weight A2 property (STANDARD uses x 1, ENHANCED uses x 2.5)			
e Property factor (for column A, multiply line c by line d; for column B, enter amount from line c)			
C2 Payroll Factor			
a Total wages, salaries, commissions and other compensation paid to employees (per federal Form 1065 or payroll reports)			
b Weight A2 payroll (STANDARD uses x 1, ENHANCED uses x 2.5)			
c Payroll factor (for column A, multiply line a by line d; for column B, enter amount from line a)			
C3 Sales Factor			
a Sales delivered or shipped to Arizona purchasers			
b Sales of services for qualifying multistate service providers only (include Schedule MSP)			
c Other gross receipts			
d Total sales and other gross receipts			
e Weight A2 sales (STANDARD uses x 2, ENHANCED uses x 95.0)			
f Sales factor (for column A, multiply line d by line e; for column B, enter amount from line d)			
C4 Total Ratio Add lines C1e, C2e, and C3f, in column C.			
C5 Average Apportionment Ratio Divide line C4, column C, by the denominator (STANDARD divides by four (4); ENHANCED divides by one hundred (100)). Enter the result in column C. Also enter this amount on Arizona Form 1065, Schedule K-1 (NR), Part 1, column (5).			

SCHEDULE D Business Information	
Describe briefly the nature and location(s) of the partnership's Arizona business activities:	
Describe briefly the nature and location(s) of the partnership's business activities outside of Arizona:	

Continued on page 3

Arizona Form 165 Schedule K-1 **Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income** **2016**
Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2016 or ☐ fiscal year beginning _____ and ending _____

CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name CHRISTOPHER BONILHA	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 3033 N 37TH ST UNIT 10	Partnership's Address — number and street or rural route 3033 N 37TH STREET #10
Partner's City, Town or Post Office PHOENIX, AZ 85018	Partnership's City, Town or Post Office PHOENIX, AZ 85018

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing	49 %	49 %
Loss sharing	49 %	49 %
Ownership of capital	49 %	49 %
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part 1 Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis from Form 1065, page 1, line 6: **1** **0.**

2 Partner's percentage of profit or loss (expressed as a decimal): **2** **0.409672**

3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2: **3** **0.**

Part 2 Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part 2.

Pro Rata Share Items	Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business: 4	

Part 3 Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part 3.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	Distributive Share Amount	(a) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (c) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss): 5			

ADDITIONAL INFORMATION:

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)): **6**

MEMBER 3

1032 ADOR 10344 (16)

AZPAR2016L 11/01/16

Schedule K-1 (Form 1065)

2016

For calendar year 2016 or tax year beginning _____, 2016, ending _____

Partner's Share of Income, Deductions, Credits, etc.

Part I Information About the Partnership

A Partnership's employer identification number: [REDACTED]

B Partnership's name, address, city, state, and ZIP code:
ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018

C IRS Center where partnership filed return:
ODEN, UT

D ☐ Check if this is a publicly traded partnership (PTP).

Part II Information About the Partner

E Partner's identifying number: [REDACTED]

F Partner's name, address, city, state, and ZIP code:
EVVELYN ANCHESCHI
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? **INDIVIDUAL**

J If this partner is a retirement plan (IRA/SEP/401(k), etc.), check here: ☐

K Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	49 %	
Loss	49 %	
Capital	49 %	

L Partner's share of liabilities at year-end:

Nonrecourse	\$	622.
Qualified nonrecourse financing	\$	
Recourse	\$	

M Partner's capital account analysis:

Beginning capital account	\$	9,544.
Capital contributed during the year	\$	
Current year increases (decrease)	\$	428.
Withdrawals & distributions	\$	(9,972.)
Ending capital account	\$	0.

N Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If "Yes," attach statement (see instructions).

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2016

PARTNER 1

PTPAR2016L 08/26/16

ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018
303-564-1536

April 12, 2017

EVVELYN ANCHESCHI
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018

RE:
ENERGY SERVICES GROUP, LLC
Schedule K-1 from Partnership's 2016 Return of Income

Dear EVVELYN ANCHESCHI:

Enclosed is your 2016 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from ENERGY SERVICES GROUP, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2016 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

Since this is your last year as a partner in the partnership, this will be the final Schedule K-1 (Form 1065) you will receive from the partnership.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

ENERGY SERVICES GROUP, LLC

Enclosure(s)

Schedule K-1 (Form 1065) 2016 ENERGY SERVICES GROUP, LLC

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Report on
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:	See the Partner's Instructions
2 Net rental real estate income (loss)	See the Partner's Instructions
3 Other net rental income (loss)	See the Partner's Instructions
4 Guaranteed payments	See the Partner's Instructions
5 Interest income	See the Partner's Instructions
6a Ordinary dividends	See the Partner's Instructions
6b Qualifying dividends	See the Partner's Instructions
7 Royalties	See the Partner's Instructions
8 Net short-term capital gain (loss)	See the Partner's Instructions
9a Net long-term capital gain (loss)	See the Partner's Instructions
9b Collectibles (28%) gain (loss)	See the Partner's Instructions
9c Unrecaptured section 1250 gain	See the Partner's Instructions
10 Net section 1231 gain (loss)	See the Partner's Instructions
11 Other income (loss)	See the Partner's Instructions
12 Section 179 deduction	See the Partner's Instructions
13 Other deductions	See the Partner's Instructions
14 Self-employment earnings (loss)	See the Partner's Instructions
15 Credits	See the Partner's Instructions
16 Foreign transactions	See the Partner's Instructions
17 Alternative minimum tax (AMT) items	See the Partner's Instructions
18 Tax-exempt income and nondeductible expenses	See the Partner's Instructions
19 Distributions	See the Partner's Instructions
20 Other information	See the Partner's Instructions

PARTNER 1: EVVELYN ANCHESCHI

PTPAR2016L 08/26/16

Schedule K-1 (Form 1065) 2016

Arizona Form 165 Schedule K-1 **Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income** **2016**

Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2016 or ☐ fiscal year beginning _____ and ending _____

CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number _____ Partnership's Employer Identification Number (EIN) _____

Partner's Name **EVELLYN ANCHESCHI** Partnership's Name **ENERGY SERVICES GROUP, LLC**

Partner's Address — name and street or rural route **3033 N 37TH STREET #10** Partnership's Address — name and street or rural route **3033 N 37TH STREET #10**

Partner's City, Town or Post Office **PHOENIX, AZ 85018** State **AZ** ZIP Code **85018** Partnership's City, Town or Post Office **PHOENIX, AZ 85018** State **AZ** ZIP Code **85018**

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing	49 %	
Loss sharing	49 %	
Ownership of capital	49 %	
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part 1 Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis, from Form 1065, page 1, line 6 **1** **0.**

2 Partner's percentage of profit or loss (expressed as a decimal) **2** **0.080328**

3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2 **3** **0.**

Part 2 Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part 2.

Pro Rata Share Items	Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business 4	

Part 3 Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part 3.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss) 5			

ADDITIONAL INFORMATION:

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)) **6**

MEMBER 1

1032 ADOR 1034 (16)

AZPA2016 11/01/16

Schedule K-1 (Form 1065)**2016**

For calendar year 2016 or for year beginning _____, 2016, and ending _____, 2016

Department of the Treasury

Internal Revenue Service

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number _____

B Partnership's name, address, city, state, and ZIP code **ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018**

C IRS Center where partnership filed return **OGDEN, UT**

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number _____

F Partner's name, address, city, state, and ZIP code **MONTALDEO REVOCABLE TRUST
860 N PIONEER
MESA, AZ 85203**

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? **INDIVIDUAL**

J If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here: ☐

K Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	51 %	51 %
Loss	51 %	51 %
Capital	51 %	51 %

L Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	3,947
Recourse	\$	

M Partner's capital account analysis:

Beginning capital account	\$	9,933
Capital contributed during the year	\$	
Current year increase (decrease)	\$	129,912
Withdrawals & distributions	\$	(9,582)
Ending capital account	\$	130,263

N ☒ Tax basis ☐ GAAP ☐ Section 704(b) book

O Did the partner contribute property with a built-in gain or loss? ☐ Yes ☒ No

P If "Yes," attach statement (see instructions)

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

PARTNER 2

Schedule K-1 (Form 1065) 2016

FTPA012L 08/26/16

ENERGY SERVICES GROUP, LLC
3033 N 37TH STREET #10
PHOENIX, AZ 85018
303-564-1536

April 12, 2017

MONTALDEO REVOCABLE TRUST
860 N PIONEER
MESA, AZ 85203

RE:
ENERGY SERVICES GROUP, LLC

Schedule K-1 from Partnership's 2016 Return of Income

Dear MONTALDEO REVOCABLE TRUST:

Enclosed is your 2016 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from ENERGY SERVICES GROUP, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2016 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

ENERGY SERVICES GROUP, LLC

Enclosure(s)

Schedule K-1 (Form 1065) 2016 ENERGY SERVICES GROUP, LLC

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows	Code	Report on
Passive loss	L	Employment zone employment credit
Passive income	M	Credit for increasing research activities
Nonpassive loss	N	Credit for employer social security and Medicare taxes
Nonpassive income	O	Backup withholding
2 Net rental real estate income (loss)	P	Other credits
3 Other net rental income (loss)	16	Foreign transactions
Net income	A	House of equity or U.S. possession
Net loss	B	Gross income from all sources
4 Guaranteed payments	C	Gross income received at partner level
5 Interest income	D	Foreign gross income sourced at partnership level
6a Ordinary dividends	E	Deductions allocated and apportioned at partner level
6b Qualifying dividends	F	General category
7 Royalties	G	Interest expense
8 Net short-term capital gain (loss)	H	Other
9a Net long-term capital gain (loss)	I	Deductions allocated and apportioned at partnership level
9b Collectibles (28%) gain (loss)	J	Foreign source income
10 Unrecaptured section 1250 gain	K	Other information
11 Net section 1231 gain (loss)	L	Total foreign dividend paid
Other income (loss)	M	Reduction in taxes available for credit
Code	N	Foreign trading gains receipts
A Other portfolio income (loss)	O	Excludable income exclusions
B Rollover conversions	P	Other foreign transactions
C Sec. 1256 contracts & straddles	17	Alternative minimum tax (AMT) items
D Mining exploration costs recapture	A	First 1986 depreciation adjustment
E Cancellation of debt	B	Adjusted gain or loss
F Other income (loss)	C	Depletion (other than oil & gas)
12 Other deductions	D	Oil, gas, & geothermal — gross income
A Cash contributions (50%)	E	Oil, gas, & geothermal — deductions
B Cash contributions (50%)	F	Other AMT items
C Noncash contributions (50%)	18	Tax-exempt income and nondeductible expenses
D Noncash contributions (50%)	A	Tax-exempt interest income
E Capital gain property to a 50% organization (50%)	B	Other tax-exempt income
F Capital gain property (20%)	C	Nondeductible expenses
G Contributions (100%)	19	Distributions
H Investment interest expense	A	Cash and marketable securities
I Deductions — royalty income	B	Dividends subject to section 737
J Section 559(c)(2) expenditures	C	Other property
K Deductions — portfolio (2% floor)	D	Investment income
L Deductions — portfolio (0%)	E	Fuel tax credit information
M Amounts paid for medical insurance	F	Qualified rehabilitation expenditures (other than medical real estate)
N Educational assistance benefits	G	Excess of energy property
O Quasi-partnership benefits	H	Recapture of tax-exempt income (loss) using credit (section 455)
P Reproductive period expenses	I	Recapture of low-income housing credit (other)
Q Commercial revitalization deduction from rental real estate activities	J	Recapture of investment credit
R Penalties and fines	K	Look-back interest — completed long-term contracts
S Rehabilitation expense deduction	L	Look-back interest — income forecast method
T Domestic production activities information	M	Dispositions of property with section 179 deductions
U Qualified production activities income	N	Recapture of section 179 deduction
V Employer's Form W-2 wages	O	Interest expense for corporate partners
W Other deductions	P	Section 455(c)(1) information
14 Self-employment earnings (loss)	Q	Section 455(c)(2) information
Note: If you have a section 179 deduction or any other level deductions, see the Partner's Instructions before completing Schedule SE	R	Interest allocable to production expenditures
A Self-employment earnings (loss)	S	COF nonqualified withdrawals
B Self-employment earnings (loss)	T	Depletion information — oil and gas
C Gross non-farm income	U	Unrelated business taxable income
15 Credits	V	Precontribution gain (loss)
A Low-income housing credit (section 42(b)(5) from pre-2008 buildings)	W	Section 1082(b) information
B Low-income housing credit (other) from pre-2008 buildings	X	Section 1082(c) information
C Low-income housing credit (section 42(b)(5) from post-2007 buildings)	Y	Net investment income
D Low-income housing credit (other) from post-2007 buildings	Z	Other information
E Qualified rehabilitation expenditures (rental real estate)		
F Other rental real estate credits		
G Other rental credits		
H Underbilled capital gains credit		
I Biotech producer credit		
J Work opportunity credit		
K Disabled access credit		

PARTNER 2: MONTALDEO REVOCABLE TRUST

FTPA012L 08/26/16

Schedule K-1 (Form 1065) 2016

Arizona Form 165 Schedule K-1 **Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income** **2016**
Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2016 or ☐ fiscal year beginning _____ and ending _____

CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name MONTALDEO REVOCABLE TRUST	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address - number and street or rural route 860 N PIONEER	Partnership's Address - number and street or rural route 3033 N 37TH STREET #10
Partner's City, Town or Post Office MESA, AZ 85203	Partnership's City, Town or Post Office PHOENIX, AZ 85018

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing		51 %
Loss sharing		51 %
Ownership of capital		51 %
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part I Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis from Form 1065, page 1, line 6 1 **0.**

2 Partner's percentage of profit or loss (expressed as a decimal) 2 **0.510000**

3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2 3 **0.**

Part 2 Net Capital Gain From Investment in a Qualified Small Business - Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part 2.

Pro Rata Share Items	Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business 4	

Part 3 Net Long-Term Capital Gain Subtraction - Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part 3.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	Distributive Share Amount	(a) Ordinary business income (loss)	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (b) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss) 5				

ADDITIONAL INFORMATION:

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)) 6

MEMBER 2

10/32 ADOR 103M (16)

AZPA0201L 11/03/16

ENERGY SERVICES GROUP, LLC
 3033 N 37TH STREET #10
 PHOENIX, AZ 85018
 303-564-1536

April 12, 2017

CHRISTOPHER BONILHA
 3033 N 37TH ST UNIT 10
 PHOENIX, AZ 85018

RE:
 ENERGY SERVICES GROUP, LLC

Schedule K-1 from Partnership's 2016 Return of Income

Dear CHRISTOPHER BONILHA:

Enclosed is your 2016 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from ENERGY SERVICES GROUP, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2016 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

ENERGY SERVICES GROUP, LLC

Enclosure(s)

Schedule K-1 (Form 1065)

2016

For calendar year 2016, or tax year beginning _____ and ending _____ 2016

Partner's Share of Income, Deductions, Credits, Etc.
 See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
 B Partnership's name, address, city, state, and ZIP code
**ENERGY SERVICES GROUP, LLC
 3033 N 37TH STREET #10
 PHOENIX, AZ 85018**
 C IRS Center where partnership filed return
OGDEN, UT
 D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
 F Partner's name, address, city, state, and ZIP code
**CHRISTOPHER BONILHA
 3033 N 37TH ST UNIT 10
 PHOENIX, AZ 85018**
 G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member
 H ☒ Domestic partner ☐ Foreign partner
 I What type of entity is this partner? **INDIVIDUAL**
 J Is this partner a retirement plan (IRA/SEP/Keogh/etc.), check here ☐
 K Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit		49 %
Loss		49 %
Capital		49 %

 L Partner's share of liabilities at year end:

Nonrecourse	
Qualified nonrecourse financing	\$ 3,170.
Recourse	\$ 13,572.

 M Partner's capital account analysis:

Beginning capital account	\$ 0.
Capital contributed during the year	\$ 124,391.
Current year increase (decrease)	\$ 124,391.
Withdrawals & distributions	
Ending capital account	\$ 124,391.

 N Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
 If "Yes," attach statement (see instructions)

☐ Final K-1 ☐ Amended K-1

651113
 OMB No. 1545-0022

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1 Ordinary business income (loss)	104,582.	15 Credits
2 Net rental real estate income (loss)		
3 Other net rental income (loss)		16 Foreign transactions
4 Guaranteed payments		
5 Interest income		
6a Ordinary dividends		
6b Qualified dividends		
7 Royalties		
8 Net short-term capital gain (loss)		
9a Net long-term capital gain (loss)		17 Alternative minimum tax (AMT) items
9b Collectibles (28%) gain (loss)		
10 Unrecaptured section 1250 gain		
11 Net section 1231 gain (loss)		
12 Other income (loss)		
13 Section 179 deduction		
14 Other deductions		
15 Self-employment earnings (loss)	104,582.	18 Tax-exempt income and nondeductible expenses
16 Other income (loss)		226.
17 Section 179 deduction		
18 Other deductions		
19 Self-employment earnings (loss)	104,582.	20 Other information

*See attached statement for additional information.

Schedule K-1 (Form 1065) 2016 **ENERGY SERVICES GROUP, LLC** 30-0854306 Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Report on
1 Ordinary business income (loss)	See the Partner's Instructions
2 Net rental real estate income (loss)	See the Partner's Instructions
3 Other net rental income (loss)	See the Partner's Instructions
4 Guaranteed payments	See the Partner's Instructions
5 Interest income	See the Partner's Instructions
6a Ordinary dividends	See the Partner's Instructions
6b Qualified dividends	See the Partner's Instructions
7 Royalties	See the Partner's Instructions
8 Net short-term capital gain (loss)	See the Partner's Instructions
9a Net long-term capital gain (loss)	See the Partner's Instructions
9b Collectibles (28%) gain (loss)	See the Partner's Instructions
10 Unrecaptured section 1250 gain	See the Partner's Instructions
11 Net section 1231 gain (loss)	See the Partner's Instructions
12 Other income (loss)	See the Partner's Instructions
13 Section 179 deduction	See the Partner's Instructions
14 Other deductions	See the Partner's Instructions
15 Self-employment earnings (loss)	See the Partner's Instructions
16 Foreign transactions	See the Partner's Instructions
17 Alternative minimum tax (AMT) items	See the Partner's Instructions
18 Tax-exempt income and nondeductible expenses	See the Partner's Instructions
19 Distributions	See the Partner's Instructions
20 Other information	See the Partner's Instructions

BAF For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2016

PARTNER 3

PTPA012L 08/26/16

PARTNER 3: CHRISTOPHER BONILHA

PTPA012L 08/26/16

Schedule K-1 (Form 1065) 2016

Arizona Form
165 Schedule K-1 **Resident and Part-Year Resident Partner's**
Share of Adjustment to Partnership Income **2016**
Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2016 or ☐ fiscal year beginning _____ and ending _____

CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number: [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name CHRISTOPHER BONIHA	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 3033 N 37TH ST UNIT 10	Partnership's Address — number and street or rural route 3033 N 37TH STREET #10
Partner's City, Town or Post Office PHOENIX, AZ 85018	Partnership's City, Town or Post Office PHOENIX, AZ 85018

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing	49 %	49 %
Loss sharing	49 %	49 %
Ownership of capital	49 %	49 %
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part 1 Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 5 1 0.

2 Partner's percentage of profit or loss (expressed as a decimal) 2 0.409672

3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2 3 0.

Part 2 Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part 2.

Pro Rata Share Items	Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business 4	

Part 3 Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's Federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part 3.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss) 5			

ADDITIONAL INFORMATION:

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)) 6

MEMBER 3

1032 ADOR 10344 (10)

AZPA0201L 11/01/16

2015 Partnership Return
prepared for:

ENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774

Lloyd J. Levidow, CPA PC
15333 N PIMA RD STE 265
SCOTTSDALE, AZ 85260-2637

**Lloyd J. Levidow, CPA, P.C.
15333 N. Pima Road
Suite 265
Scottsdale, AZ 85260**

PRIVACY POLICY

CPAs, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

TYPES OF NONPUBLIC PERSONAL INFORMATION WE COLLECT

We collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization.

PARTIES TO WHOM WE DISCLOSE INFORMATION

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees and, in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

PROTECTING THE CONFIDENTIALITY AND SECURITY OF CURRENT AND FORMER CLIENTS' INFORMATION

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*** * * * ***

Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

2015

FEDERAL INCOME TAX SUMMARY

PAGE 1

ENERGY SERVICES GROUP, LLC

~~CONFIDENTIAL~~**TRADE OR BUSINESS INCOME**

GROSS RECEIPTS LESS RETURNS.....	217,216
GROSS PROFIT.....	217,216
TOTAL INCOME (LOSS).....	217,216

TRADE OR BUSINESS DEDUCTIONS

SALARIES AND WAGES (LESS EMP. CREDITS).....	139,563
REPAIRS AND MAINTENANCE.....	25
TAXES AND LICENSES.....	11,431
OTHER DEDUCTIONS.....	46,644
TOTAL DEDUCTIONS.....	197,663

SCHEDULE K - INCOME

ORDINARY BUSINESS INCOME (LOSS).....	19,553
--------------------------------------	--------

SCHEDULE K - SELF-EMPLOYMENT

NET EARN. (LOSS) FROM SELF-EMPLOYMENT.....	9,581
--	-------

SCHEDULE K - OTHER

NONDEDUCTIBLE EXPENSES.....	76
-----------------------------	----

SCHEDULE L - BALANCE SHEET

BEGINNING ASSETS.....	0
BEGINNING LIABILITIES AND CAPITAL.....	0
ENDING ASSETS.....	40,811
ENDING LIABILITIES AND CAPITAL.....	40,811

2015

FEDERAL BALANCE SHEET SUMMARY

PAGE 1

ENERGY SERVICES GROUP, LLC

ENDING ASSETS

CASH	40,811
------------	--------

TOTAL ASSETS	40,811
--------------------	--------

ENDING LIABILITIES & CAPITAL

OTHER CURRENT LIABILITIES	21,334
---------------------------------	--------

PARTNERS' CAPITAL ACCOUNTS	19,477
----------------------------------	--------

TOTAL LIABILITIES AND CAPITAL	40,811
-------------------------------------	--------

2015

ARIZONA INCOME TAX SUMMARY

PAGE 1

ENERGY SERVICES GROUP, LLC

FEDERAL ORDINARY AND RENTAL INCOME

ORDINARY BUSINESS AND RENTAL INCOME.....	19,553
--	--------

ADDITIONS TO INCOME

TOTAL ADDITIONS TO PARTNERSHIP INCOME.....	0
--	---

SUBTRACTIONS FROM INCOME

TOTAL SUBTS. FROM PARTNERSHIP INCOME.....	0
---	---

PARTNERSHIP INCOME ADJUSTED TO AZ BASIS.....	19,553
--	--------

CLEAN COPY

2015

GENERAL INFORMATION

PAGE 1

ENERGY SERVICES GROUP, LLC

FORMS NEEDED FOR THIS RETURN

FEDERAL: 1065, SCH B-1, SCH K-1
ARIZONA: 165, SCH K-1

CARRYOVERS TO 2016

NONE

Form 1065 Department of the Treasury Internal Revenue Service	U.S. Return of Partnership Income For calendar year 2015, or tax year beginning _____, 2015, ending _____, 20____. Information about Form 1065 and its separate instructions is at www.irs.gov/form1065.	OMB No. 1545-0123 <div style="font-size: 24pt; font-weight: bold;">2015</div>																				
A Principal business activity CONSULTING B Principal product or service SERVICE C Business code number 541990	<div style="display: flex;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Type or Print</div> <div> ENERGY SERVICES GROUP, LLC 11983 N 136TH WAY SCOTTSDALE, AZ 85259-3774 </div> </div>	D Employer identification no. <div style="background-color: black; width: 100px; height: 1.2em; margin-bottom: 5px;"></div> E Date business started 1/01/2015 F Total assets (see the instrs) \$ 40,811.																				
G Check applicable boxes: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination — also check (1) or (2)																						
H Check accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____																						
I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ 2																						
J Check if Schedules C and M-3 are attached <input type="checkbox"/>																						
Caution. Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.																						
INCOME	1 a Gross receipts or sales 1 a 217,216. b Returns and allowances 1 b _____ c Balance. Subtract line 1b from line 1a 1 c 217,216. 2 Cost of goods sold (attach Form 1125-A) 2 _____ 3 Gross profit. Subtract line 2 from line 1c 3 217,216. 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) 4 _____ 5 Net farm profit (loss) (attach Schedule F (Form 1040)) 5 _____ 6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) 6 _____ 7 Other income (loss) (attach statement) 7 _____ 8 Total income (loss). Combine lines 3 through 7 8 217,216.																					
SEE INSTRUCTIONS FOR LIMITATIONS	9 Salaries and wages (other than to partners) (less employment credits) 9 139,563. 10 Guaranteed payments to partners 10 _____ 11 Repairs and maintenance 11 25. 12 Bad debts 12 _____ 13 Rent 13 _____ 14 Taxes and licenses 14 11,431. 15 Interest 15 _____ 16 a Depreciation (if required, attach Form 4562) 16 a _____ b Less depreciation reported on Form 1125-A and elsewhere on return ... 16 b _____ 17 Depletion (Do not deduct oil and gas depletion.) 16 c _____ 18 Retirement plans, etc. 17 _____ 19 Employee benefit programs 18 _____ 20 Other deductions (attach statement) 19 _____ <div style="text-align: right;">SEE STATEMENT 1</div> 20 46,644.																					
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 21 197,663. 22 Ordinary business income (loss). Subtract line 21 from line 8 22 19,553.																					
Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge. <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> Signature of general partner or limited liability company member manager _____ Date _____ </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> May the IRS discuss this return with the preparer shown below (see instrs)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </div> </div>																					
Paid Preparer Use Only	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;">Print/Type preparer's name</td> <td style="width:30%;">Preparer's signature</td> <td style="width:10%;">Date</td> <td style="width:10%;">Check <input type="checkbox"/> if self-employed</td> <td style="width:20%;">PTIN</td> </tr> <tr> <td>Firm's name ▶ LLOYD J. LEVIDOW, CPA PC</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Firm's address ▶ 15333 N PIMA RD STE 265 SCOTTSDALE, AZ 85260-2637</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Firm's EIN ▶ <div style="background-color: black; width: 100px; height: 1.2em;"></div></td> <td>Phone no. (480) 315-9730</td> <td></td> <td></td> </tr> </table>		Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN	Firm's name ▶ LLOYD J. LEVIDOW, CPA PC					Firm's address ▶ 15333 N PIMA RD STE 265 SCOTTSDALE, AZ 85260-2637						Firm's EIN ▶ <div style="background-color: black; width: 100px; height: 1.2em;"></div>	Phone no. (480) 315-9730		
Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN																		
Firm's name ▶ LLOYD J. LEVIDOW, CPA PC																						
Firm's address ▶ 15333 N PIMA RD STE 265 SCOTTSDALE, AZ 85260-2637																						
	Firm's EIN ▶ <div style="background-color: black; width: 100px; height: 1.2em;"></div>	Phone no. (480) 315-9730																				

Form 1065 (2015) ENERGY SERVICES GROUP, LLC

Page 2

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a <input checked="" type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership				
c <input type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership				
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other ▶				
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?				X	
3 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				X	
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership					X
4 At the end of the tax year, did the partnership:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below.					X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
				Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details.					X
6 Does the partnership satisfy all four of the following conditions?					
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3.					X
If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.					
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?					X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X
10 At any time during calendar year 2015, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If 'Yes,' enter the name of the foreign country. ▶					X

PTPA0112L 08/03/15

Form 1065 (2015)

Form 1065 (2015)

ENERGY SERVICES GROUP, LLC

Page 3

Schedule B Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
12 a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions.		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instrs		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18 a Did you make any payments in 2015 that would require you to file Form(s) 1099? See instructions.		X
b If 'Yes,' did you or will you file required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
20 Enter the number of partners that are foreign governments under section 892. ▶ 0		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Identifying number of TMP ▶
If the TMP is an entity, name of TMP representative ▶	Phone number of TMP ▶
Address of designated TMP ▶	

Form 1065 (2015)

ENERGY SERVICES GROUP, LLC

Page 4

Schedule K Partners' Distributive Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	19,553.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach stmt)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Income (Loss)	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss)	9b	
	c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c (2)	
	d Other deductions (see instructions) Type ▶	13d	
Self-Employment	14a Net earnings (loss) from self-employment	14a	9,581.
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶	16a	
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	d Passive category ▶ e General category ▶ f Other ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other ▶	16k	
	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
	m Reduction in taxes available for credit (attach statement)	16m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties — gross income	17d	
	e Oil, gas, and geothermal properties — deductions	17e	
	f Other AMT items (attach stmt)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	76.
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach stmt)			

BAA

Form 1065 (2015)

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l.						1	19,553.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other	
a General partners.		9,581.					
b Limited partners.							9,972.

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash.					40,811.
2a Trade notes and accounts receivable.					
b Less allowance for bad debts.					
3 Inventories.					
4 U.S. government obligations.					
5 Tax-exempt securities.					
6 Other current assets (attach stmt).					
7a Loans to partners (or persons related to partners).					
b Mortgage and real estate loans.					
8 Other investments (attach stmt).					
9a Buildings and other depreciable assets.					
b Less accumulated depreciation.					
10a Depletable assets.					
b Less accumulated depletion.					
11 Land (net of any amortization).					
12a Intangible assets (amortizable only).					
b Less accumulated amortization.					
13 Other assets (attach stmt).					
14 Total assets.					40,811.
Liabilities and Capital					
15 Accounts payable.					
16 Mortgages, notes, bonds payable in less than 1 year.					
17 Other current liabilities (attach stmt). SEE ST 2.					21,334.
18 All nonrecourse loans.					
19a Loans from partners (or persons related to partners).					
b Mortgages, notes, bonds payable in 1 year or more.					
20 Other liabilities (attach stmt).					
21 Partners' capital accounts.					19,477.
22 Total liabilities and capital.					40,811.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**Note.** The partnership may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books.	19,477.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest. . . \$	
3 Guaranteed prmts (other than health insurance).		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation. \$	
a Depreciation. \$		8 Add lines 6 and 7.	
b Travel and entertainment. \$ 76.		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.	19,553.
5 Add lines 1 through 4.	19,553.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year.	0.	6 Distributions: a Cash.	
2 Capital contributed: a Cash.		b Property.	
b Property.		7 Other decreases (itemize):	
3 Net income (loss) per books.	19,477.	8 Add lines 6 and 7.	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5.	19,477.
5 Add lines 1 through 4.	19,477.		

SCHEDULE B-1
(Form 1065)(Rev. December 2011)
Department of the Treasury
Internal Revenue Service**Information on Partners Owning 50% or
More of the Partnership**▶ **Attach to Form 1065. See instructions.**

OMB No. 1545-0099

Name of partnership

ENERGY SERVICES GROUP, LLCEmployer identification number (EIN)
[REDACTED]**Part I** **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
MONTALDEO REVOCABLE TRUST	[REDACTED]	TRUST	U.S.	51.000

Part II **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule **B-1** (Form 1065) (12-2011)

Schedule K-1
(Form 1065)**2015**Department of the Treasury
Internal Revenue ServiceFor calendar year 2015, or tax
year beginning _____, 2015
ending _____, 2015**Partner's Share of Income, Deductions, Credits, etc.**

► See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number
[REDACTED]**B** Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774**C** IRS Center where partnership filed return
OGDEN, UT**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number
[REDACTED]**F** Partner's name, address, city, state, and ZIP codeEVELLYN ANCHESCHI
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? INDIVIDUAL**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here. ☐**J** Partner's share of profit, loss, and capital (see instructions):**Beginning****Ending**

Profit	49 %	49 %
Loss	49 %	49 %
Capital	49 %	49 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 10,454.
Qualified nonrecourse financing	\$
Recourse	\$

L Partner's capital account analysis:

Beginning capital account	\$ 0.
Capital contributed during the year	\$
Current year increase (decrease)	\$ 9,544.
Withdrawals & distributions	\$
Ending capital account	\$ 9,544.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)
M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1

651113

OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	9,581.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	37.
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information
14	Self-employment earnings (loss)		
A	9,581.		

*See attached statement for additional information.

FOR
IRS
USE
ONLY**BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.**

Schedule K-1 (Form 1065) 2015

PARTNER 1

PTPA0312L 07/22/15

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	Report on	Code	Report on
Passive loss	See the Partner's Instructions	L Empowerment zone employment credit	See the Partner's Instructions
Passive income	Schedule E, line 28, column (g)	M Credit for increasing research activities	
Nonpassive loss	Schedule E, line 28, column (h)	N Credit for employer social security and Medicare taxes	
Nonpassive income	Schedule E, line 28, column (j)	O Backup withholding	
	See the Partner's Instructions	P Other credits	
2 Net rental real estate income (loss)		16 Foreign transactions	
3 Other net rental income (loss)		A Name of country or U.S. possession	Form 1116, Part I
Net income	Schedule E, line 28, column (g)	B Gross income from all sources	
Net loss	See the Partner's Instructions	C Gross income sourced at partner level	
4 Guaranteed payments	Schedule E, line 28, column (j)	Foreign gross income sourced at partnership level	
5 Interest income	Form 1040, line 8a	D Passive category	Form 1116, Part I
6a Ordinary dividends	Form 1040, line 9a	E General category	
6b Qualified dividends	Form 1040, line 9b	F Other	
7 Royalties	Schedule E, line 4	Deductions allocated and apportioned at partner level	
8 Net short-term capital gain (loss)	Schedule D, line 5	G Interest expense	Form 1116, Part I
9a Net long-term capital gain (loss)	Schedule D, line 12	H Other	Form 1116, Part I
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	Deductions allocated and apportioned at partnership level to foreign source income	
9c Unrecaptured section 1250 gain	See the Partner's Instructions	I Passive category	Form 1116, Part I
10 Net section 1231 gain (loss)	See the Partner's Instructions	J General category	
11 Other income (loss)		K Other	
Code		Other information	
A Other portfolio income (loss)	See the Partner's Instructions	L Total foreign taxes paid	Form 1116, Part II
B Involuntary conversions	See the Partner's Instructions	M Total foreign taxes accrued	Form 1116, Part II
C Sec. 1256 contracts & straddles	Form 6781, line 1	N Reduction in taxes available for credit	Form 1116, line 12
D Mining exploration costs recapture	See Pub. 535	O Foreign trading gross receipts	Form 8873
E Cancellation of debt	Form 1040, line 21 or Form 982	P Extraterritorial income exclusion	Form 8873
F Other income (loss)	See the Partner's Instructions	Q Other foreign transactions	See the Partner's Instructions
12 Section 179 deduction	See the Partner's Instructions	17 Alternative minimum tax (AMT) items	
13 Other deductions		A Post-1986 depreciation adjustment	See the Partner's Instructions and the Instructions for Form 6251
A Cash contributions (50%)	See the Partner's Instructions	B Adjusted gain or loss	
B Cash contributions (30%)		C Depletion (other than oil & gas)	
C Noncash contributions (50%)		D Oil, gas, & geothermal — gross income	
D Noncash contributions (30%)		E Oil, gas, & geothermal — deductions	
E Capital gain property to a 50% organization (30%)		F Other AMT items	
F Capital gain property (20%)		18 Tax-exempt income and nondeductible expenses	
G Contributions (100%)		A Tax-exempt interest income	Form 1040, line 8b
H Investment interest expense	Form 4952, line 1	B Other tax-exempt income	See the Partner's Instructions
I Deductions — royalty income	Schedule E, line 19	C Nondeductible expenses	See the Partner's Instructions
J Section 59(e)(2) expenditures	See the Partner's Instructions	19 Distributions	
K Deductions — portfolio (2% floor)	Schedule A, line 23	A Cash and marketable securities	See the Partner's Instructions
L Deductions — portfolio (other)	Schedule A, line 28	B Distribution subject to section 737	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	C Other property	
N Educational assistance benefits	See the Partner's Instructions	20 Other information	
O Dependent care benefits	Form 2441, line 12	A Investment income	Form 4952, line 4a
P Preproductive period expenses	See the Partner's Instructions	B Investment expenses	Form 4952, line 5
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	C Fuel tax credit information	Form 4136
R Pensions and IRAs	See the Partner's Instructions	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
S Reforestation expense deduction	See the Partner's Instructions	E Basis of energy property	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
U Qualified production activities income	Form 8903, line 7b	G Recapture of low-income housing credit (other)	Form 8611, line 8
V Employer's Form W-2 wages	Form 8903, line 17	H Recapture of investment credit	See Form 4255
W Other deductions	See the Partner's Instructions	I Recapture of other credits	See the Partner's Instructions
14 Self-employment earnings (loss)		J Look-back interest — completed long-term contracts	See Form 8697
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		K Look-back interest — income forecast method	See Form 8866
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	L Dispositions of property with section 179 deductions	See the Partner's Instructions
B Gross farming or fishing income	See the Partner's Instructions	M Recapture of section 179 deduction	
C Gross non-farm income	See the Partner's Instructions	N Interest expense for corporate partners	
15 Credits		O Section 453(l)(3) information	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	P Section 453A(c) information	
B Low-income housing credit (other) from pre-2008 buildings		Q Section 1260(b) information	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		R Interest allocable to production expenditures	
D Low-income housing credit (other) from post-2007 buildings		S CCF nonqualified withdrawals	
E Qualified rehabilitation expenditures (rental real estate)		T Depletion information — oil and gas	
F Other rental real estate credits		U Reserved	
G Other rental credits		V Unrelated business taxable income	
H Undistributed capital gains credit	Form 1040, line 73; check box a	W Precontribution gain (loss)	
I Biofuel producer credit	See the Partner's Instructions	X Section 108(i) information	
J Work opportunity credit		Y Net investment income	
K Disabled access credit		Z Other information	

PARTNER 1: EVELLYN ANCHESCHI

PTPA0312L 07/22/15

Schedule K-1 (Form 1065) 2015

Schedule K-1
(Form 1065)**2015**Department of the Treasury
Internal Revenue ServiceFor calendar year 2015, or tax
year beginning _____, 2015
ending _____, _____**Partner's Share of Income, Deductions, Credits, etc.**

► See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number
[REDACTED]**B** Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774**C** IRS Center where partnership filed return
OGDEN, UT**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number
[REDACTED]**F** Partner's name, address, city, state, and ZIP codeMONTALDEO REVOCABLE TRUST
11983 N 136TH WAY
SCOTTSDALE, AZ 85259**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? **FIDUCIARY****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here. ☐**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	51 %	51 %
Loss	51 %	51 %
Capital	51 %	51 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 10,880.
Qualified nonrecourse financing	\$
Recourse	\$

L Partner's capital account analysis:

Beginning capital account	\$ 0.
Capital contributed during the year	\$
Current year increase (decrease)	\$ 9,933.
Withdrawals & distributions	\$
Ending capital account	\$ 9,933.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1

651113

OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	9,972.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	39.
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information
14	Self-employment earnings (loss)		

*See attached statement for additional information.

FOR
IRS
USE
ONLY**BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.**

Schedule K-1 (Form 1065) 2015

PARTNER 2

PTPA0312L 07/22/15

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.	Report on	Code	Report on
Passive loss Passive income Nonpassive loss Nonpassive income	See the Partner's Instructions Schedule E, line 28, column (g) Schedule E, line 28, column (h) Schedule E, line 28, column (i) See the Partner's Instructions	L Empowerment zone employment credit M Credit for increasing research activities N Credit for employer social security and Medicare taxes O Backup withholding P Other credits	See the Partner's Instructions
2 Net rental real estate income (loss)	Schedule E, line 28, column (g)	16 Foreign transactions	Form 1116, Part I
3 Other net rental income (loss)	See the Partner's Instructions	A Name of country or U.S. possession B Gross income from all sources C Gross income sourced at partner level <i>Foreign gross income sourced at partnership level</i> D Passive category E General category F Other	Form 1116, Part I
Net income	Schedule E, line 28, column (g)	<i>Deductions allocated and apportioned at partner level</i>	Form 1116, Part I
Net loss	See the Partner's Instructions	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>	Form 1116, Part I
4 Guaranteed payments	Schedule E, line 28, column (i)	I Passive category	Form 1116, Part I
5 Interest income	Form 1040, line 8a	J General category	Form 1116, Part I
6a Ordinary dividends	Form 1040, line 9a	K Other	Form 1116, Part I
6b Qualified dividends	Form 1040, line 9b	<i>Other information</i>	Form 1116, Part II
7 Royalties	Schedule E, line 4	L Total foreign taxes paid M Total foreign taxes accrued N Reduction in taxes available for credit O Foreign trading gross receipts P Extraterritorial income exclusion Q Other foreign transactions	Form 1116, Part II
8 Net short-term capital gain (loss)	Schedule D, line 5	17 Alternative minimum tax (AMT) items	Form 1116, line 12
9a Net long-term capital gain (loss)	Schedule D, line 12	A Post-1986 depreciation adjustment B Adjusted gain or loss C Depletion (other than oil & gas) D Oil, gas, & geothermal — gross income E Oil, gas, & geothermal — deductions F Other AMT items	Form 8873
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions) See the Partner's Instructions	18 Tax-exempt income and nondeductible expenses	Form 8873
9c Unrecaptured section 1250 gain	See the Partner's Instructions	A Tax-exempt interest income	See the Partner's Instructions
10 Net section 1231 gain (loss)	See the Partner's Instructions	B Other tax-exempt income	Form 1040, line 8b
11 Other income (loss)	See the Partner's Instructions	C Nondeductible expenses	See the Partner's Instructions
<i>Code</i>		19 Distributions	See the Partner's Instructions
A Other portfolio income (loss)	See the Partner's Instructions	A Cash and marketable securities B Distribution subject to section 737 C Other property	Form 6251
B Involuntary conversions	See the Partner's Instructions	20 Other information	Form 4952, line 4a
C Sec. 1256 contracts & straddles	Form 6781, line 1	A Investment income	Form 4952, line 5
D Mining exploration costs recapture	See Pub. 535	B Investment expenses	Form 4136
E Cancellation of debt	Form 1040, line 21 or Form 982	D Qualified rehabilitation expenditures (other than rental real estate) E Basis of energy property	See the Partner's Instructions
F Other income (loss)	See the Partner's Instructions	F Recapture of low-income housing credit (section 42(j)(5)) G Recapture of low-income housing credit (other)	See the Partner's Instructions
12 Section 179 deduction	See the Partner's Instructions	H Recapture of investment credit I Recapture of other credits	Form 8611, line 8
13 Other deductions	See the Partner's Instructions	J Look-back interest — completed long-term contracts K Look-back interest — income forecast method	Form 8611, line 8
A Cash contributions (50%)	See the Partner's Instructions	L Dispositions of property with section 179 deductions	See the Partner's Instructions
B Cash contributions (30%)	See the Partner's Instructions	M Recapture of section 179 deduction	See the Partner's Instructions
C Noncash contributions (50%)	Form 4952, line 1	N Interest expense for corporate partners	See the Partner's Instructions
D Noncash contributions (30%)	Schedule E, line 19	O Section 453(l)(3) information	Form 8611, line 8
E Capital gain property to a 50% organization (30%)	See the Partner's Instructions	P Section 453A(c) information	Form 4255
F Capital gain property (20%)	Schedule A, line 23	Q Section 1260(b) information	See the Partner's Instructions
G Contributions (100%)	Schedule A, line 28	R Interest allocable to production expenditures S CCF nonqualified withdrawals	See the Partner's Instructions
H Investment interest expense	Schedule A, line 1 or Form 1040, line 29	T Depletion information — oil and gas	See the Partner's Instructions
I Deductions — royalty income	See the Partner's Instructions	U Reserved	See the Partner's Instructions
J Section 59(e)(2) expenditures	Form 2441, line 12	V Unrelated business taxable income	See the Partner's Instructions
K Deductions — portfolio (2% floor)	See the Partner's Instructions	W Precontribution gain (loss)	See the Partner's Instructions
L Deductions — portfolio (other)	See the Partner's Instructions	X Section 108(j) information	See the Partner's Instructions
M Amounts paid for medical insurance	Form 8903, line 7b	Y Net investment income	See the Partner's Instructions
N Educational assistance benefits	Form 8903, line 17	Z Other information	See the Partner's Instructions
O Dependent care benefits	See the Partner's Instructions		
P Preproductive period expenses	See the Partner's Instructions		
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions		
R Pensions and IRAs	See the Partner's Instructions		
S Reforestation expense deduction	See the Partner's Instructions		
T Domestic production activities information	See the Partner's Instructions		
U Qualified production activities income	Form 8903, line 7b		
V Employer's Form W-2 wages	Form 8903, line 17		
W Other deductions	See the Partner's Instructions		
14 Self-employment earnings (loss)	See the Partner's Instructions		
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.			
A Net earnings (loss) from self-employment	Schedule SE, Section A or B		
B Gross farming or fishing income	See the Partner's Instructions		
C Gross non-farm income	See the Partner's Instructions		
15 Credits			
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings			
B Low-income housing credit (other) from pre-2008 buildings			
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings			
D Low-income housing credit (other) from post-2007 buildings			
E Qualified rehabilitation expenditures (rental real estate)			
F Other rental real estate credits			
G Other rental credits			
H Undistributed capital gains credit			
I Biofuel producer credit			
J Work opportunity credit			
K Disabled access credit			

2015

FEDERAL STATEMENTS

PAGE 1

ENERGY SERVICES GROUP, LLC

STATEMENT 1
FORM 1065, LINE 20
OTHER DEDUCTIONS

ADVERTISING.....	\$	500.
AUTO AND TRUCK EXPENSE.....		7,728.
BANK CHARGES.....		69.
COMPUTER - SERVICE.....		321.
DUES AND SUBSCRIPTIONS.....		162.
INSURANCE.....		2,234.
LEGAL AND PROFESSIONAL.....		8,979.
MEALS AND ENTERTAINMENT.....		77.
OFFICE EXPENSE.....		6,000.
OUTSIDE SERVICES.....		17,949.
PAYMENT PROCESSING FEES.....		334.
SUPPLIES.....		1,034.
TELEPHONE.....		360.
TRAVEL.....		189.
UTILITIES.....		708.
TOTAL	\$	46,644.

STATEMENT 2
FORM 1065, SCHEDULE L, LINE 17
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
DUE TO CHRIS BONHILA.....	\$ 0.	\$ 14,958.
PAYROLL LIABILITIES.....	0.	6,376.
TOTAL	\$ 0.	\$ 21,334.

Arizona Form
165

Arizona Partnership Income Tax Return

2015

For the ☒ calendar year 2015 or ☐ fiscal year beginning and ending

Business Telephone Number (with area code) (623) 241-6876	Name ENERGY SERVICES GROUP, LLC	CHECK ONE: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended
Business Activity Code (from federal Form 1065) 541990	Address — number and street or PO Box 11983 N 136TH WAY	Employer Identification Number (EIN) [REDACTED]
	City, Town or Post Office SCOTTSDALE, AZ	State ZIP Code 85259-3774

(68) Check box if: ☒ This is a first return ☐ Name change ☐ Address change

CHECK BOX IF return filed under extension:

(82) 82E ☐REVENUE USE ONLY. DO NOT MARK IN THIS AREA.
(88)

A DBA: _____

B Will a composite return be filed on Form 140NR? ☐ Yes ☒ No

C Total number of nonresident individual partners. _____

D Total number of resident and part-year resident individual partners. _____ 1

E Total number of entity partners (see instructions, page 3) ... 1

F Date business commenced. 1 01 2015

G ARIZONA apportionment for multistate partnerships only (check one box):

☐ AIR Carrier ☐ STANDARD ☐ ENHANCEDH ☐ Check if Multistate Provider Election and Computation (Arizona Schedule MSP) is included.Indicate the year of the election cycle. ☐ Yr 1 ☐ Yr 2 ☐ Yr 3 ☐ Yr 4 ☐ Yr 5I Is this the partnership's final return under this EIN? I ☐ YES ☒ NOJ Did you file 2013 and 2014 Arizona partnership returns? J ☒ YES ☐ NO

If 'No', state reason: _____

K Have you filed amended federal partnership returns for prior years? K ☐ YES ☒ NO

If 'Yes', list years: _____

L Have you included a copy of your federal Form 1065 and supporting schedules with this return, including Schedules K-1? L ☐ YES ☒ NOM Has the Internal Revenue Service (IRS) made any adjustments in any federal income tax return filed by the partnership not previously reported to the department? M ☐ YES ☒ NO

If 'Yes', indicate year(s): _____, and

submit under separate cover a copy of the IRS report as finally determined.

N The partnership books are in care of: _____

Located at: _____

Number and street or PO Box

City

State

ZIP Code

Adjustment of Partnership Income From Federal to Arizona Basis

1	Federal ordinary business and rental income from Form 1065, Schedule K. See instructions.	1	19,553.
SCHEDULE A: Additions to Partnership Income			
A1	Total federal depreciation		
A2	Non-Arizona municipal bond interest		
A3	Additions related to Arizona tax credits		
A4	Other additions to partnership income		
2	Total additions to partnership income: Add lines A1 through A4.	2	
3	Subtotal: Add lines 1 and 2.	3	19,553.
SCHEDULE B: Subtractions From Partnership Income			
B1	Recalculated Arizona depreciation: See instructions		
B2	Basis adjustment for property sold or otherwise disposed of during the taxable year — see instructions		
B3	Interest from U.S. government obligations		
B4	Difference in adjusted basis of property		
B5	Agricultural crops charitable contribution: See instructions		
B6	Other subtractions from partnership income		
4	Total subtractions from partnership income: Add lines B1 through B6	4	
5	Partnership income adjusted to Arizona basis: Subtract line 4 from line 3.	5	19,553.
6	Net adjustment of partnership income from federal to Arizona basis: Subtract line 1 from line 5.	6	

Penalty

7 Penalty for late filing or incomplete filing: See instructions

7

Page 2 of 3

Name (as shown on page 1)

ENERGY SERVICES GROUP, LLC

EIN

SCHEDULE E**Partner Information**

Prepare a schedule that lists each partner's name, address, taxpayer identification number, and pro rata share of the amount shown on line 5. Label the listing as 'Schedule E: Partner Information' and include the schedule immediately after page 3 of Form 165.

Declaration	I, the undersigned partner of the partnership for which this return is made, declare under penalty of perjury, that this return, including the accompanying schedules and statements, has been examined by me and is to the best of my knowledge and belief, a correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona.		
Please Sign Here	PARTNER'S SIGNATURE	DATE	TITLE
Paid Preparer's Use Only	PAID PREPARER'S SIGNATURE	DATE	PAID PREPARER'S PTIN
	LLOYD J. LEVIDOW, CPA PC		
	FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)		FIRM'S <input checked="" type="checkbox"/> EIN OR <input type="checkbox"/> SSN
	15333 N PIMA RD STE 265		(480) 315-9730
	FIRM'S STREET ADDRESS		FIRM'S TELEPHONE NUMBER
	SCOTTSDALE, AZ		85260-2637
	CITY	STATE	ZIP CODE

Include federal Form 1065, federal Schedules K-1 (Form 1065), and all supporting schedules with this return.

Mail to: Arizona Department of Revenue, PO Box 52153, Phoenix, AZ 85072-2153

Arizona Form 165 Schedule K-1	Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income	2015
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Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2015 or ☐ fiscal year beginning _____ and ending _____.CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name EVELLYN ANCHESCHI	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 3033 N 37TH ST UNIT 10	Partnership's Address — number and street or rural route 11983 N 136TH WAY
Partner's City, Town or Post Office State ZIP Code PHOENIX, AZ 85018	Partnership's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259-3774

Partner's Percentage of:	Before Change or Termination	End of Year
Profit sharing	%	49 %
Loss sharing	%	49 %
Ownership of capital	%	49 %
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part I Arizona Partnership Adjustment

- 1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6 1 0.
- 2 Partner's percentage of profit or loss (expressed as a decimal) 2 0.490000
- 3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2 3 0.

Part II Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part II.

Pro Rata Share Items	(a) Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business 4	

Part III Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part III.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss) 5			

ADDITIONAL INFORMATION

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c))... 6			
--	--	--	--

PARTNER 1

Arizona Form 165 Schedule K-1	Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income	2015
Corporate partners must use Form 165, Schedule K-1 (NR).		

For the ☒ calendar year 2015 or ☐ fiscal year beginning _____ and ending _____.

CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name MONTALDEO REVOCABLE TRUST	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 11983 N 136TH WAY	Partnership's Address — number and street or rural route 11983 N 136TH WAY
Partner's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259	Partnership's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259-3774

Partner's Percentage of:	Before Change or Termination	End of Year
Profit sharing	%	51 %
Loss sharing	%	51 %
Ownership of capital	%	51 %
Type of partner (individual, trust, or estate)	FIDUCIARY	

Part I Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6	1	0.
2 Partner's percentage of profit or loss (expressed as a decimal)	2	0.510000
3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2	3	0.

Part II Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part II.

Pro Rata Share Items	(a) Distributive Share Amount
4 Net capital gain (loss) from investment in a qualified small business	4

Part III Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part III.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss)	5		

ADDITIONAL INFORMATION

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)) ...	6		
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PARTNER 2

ENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774
(623) 241-6876

March 10, 2016

EVELLYN ANCHESCHI
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018

RE:
ENERGY SERVICES GROUP, LLC
[REDACTED]
Schedule K-1 from Partnership's 2015 Return of Income

Dear EVELLYN ANCHESCHI:

Enclosed is your 2015 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from ENERGY SERVICES GROUP, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2015 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

ENERGY SERVICES GROUP, LLC

Enclosure(s)

Schedule K-1
(Form 1065)**2015**Department of the Treasury
Internal Revenue ServiceFor calendar year 2015, or tax
year beginning _____, 2015
ending _____,**Partner's Share of Income, Deductions,
Credits, etc.**
▶ See separate instructions.**Part I Information About the Partnership****A** Partnership's employer identification number
[REDACTED]**B** Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774**C** IRS Center where partnership filed return
OGDEN, UT**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number
[REDACTED]**F** Partner's name, address, city, state, and ZIP codeEVELLYN ANCHESCHI
3033 N 37TH ST UNIT 10
PHOENIX, AZ 85018**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? **INDIVIDUAL****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here. ☐**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	49 %	49 %
Loss	49 %	49 %
Capital	49 %	49 %

K Partner's share of liabilities at year end:

Nonrecourse	\$	10,454.
Qualified nonrecourse financing	\$	
Recourse	\$	

L Partner's capital account analysis:

Beginning capital account	\$	0.
Capital contributed during the year	\$	
Current year increase (decrease)	\$	9,544.
Withdrawals & distributions	\$	
Ending capital account	\$	9,544.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)**M** Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1651113
OMB No. 1545-0123**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	9,581.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	37.
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information
14	Self-employment earnings (loss)		
A	9,581.		

*See attached statement for additional information.

FOR
IRS
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ONLY**BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.**

Schedule K-1 (Form 1065) 2015

PARTNER 1

PTPA0312L 07/22/15

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

		Code	Report on
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.			
Passive loss	See the Partner's Instructions	L Empowerment zone employment credit	
Passive income	Schedule E, line 28, column (g)	M Credit for increasing research activities	
Nonpassive loss	Schedule E, line 28, column (h)	N Credit for employer social security and Medicare taxes	See the Partner's Instructions
Nonpassive income	Schedule E, line 28, column (j)	O Backup withholding	
	See the Partner's Instructions	P Other credits	
2 Net rental real estate income (loss)			
3 Other net rental income (loss)			
Net income	Schedule E, line 28, column (g)	16 Foreign transactions	
Net loss	See the Partner's Instructions	A Name of country or U.S. possession	
4 Guaranteed payments	Schedule E, line 28, column (j)	B Gross income from all sources	Form 1116, Part I
5 Interest income	Form 1040, line 8a	C Gross income sourced at partner level	
6a Ordinary dividends	Form 1040, line 9a	Foreign gross income sourced at partnership level	
6b Qualified dividends	Form 1040, line 9b	D Passive category	Form 1116, Part I
7 Royalties	Schedule E, line 4	E General category	
8 Net short-term capital gain (loss)	Schedule D, line 5	F Other	
9a Net long-term capital gain (loss)	Schedule D, line 12	Deductions allocated and apportioned at partner level	
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	G Interest expense	Form 1116, Part I
9c Unrecaptured section 1250 gain	See the Partner's Instructions	H Other	Form 1116, Part I
10 Net section 1231 gain (loss)	See the Partner's Instructions	Deductions allocated and apportioned at partnership level to foreign source income	
11 Other income (loss)		I Passive category	Form 1116, Part I
Code		J General category	
A Other portfolio income (loss)	See the Partner's Instructions	K Other	
B Involuntary conversions	See the Partner's Instructions	Other information	
C Sec. 1256 contracts & straddles	Form 6781, line 1	L Total foreign taxes paid	Form 1116, Part II
D Mining exploration costs recapture	See Pub. 535	M Total foreign taxes accrued	Form 1116, Part II
E Cancellation of debt	Form 1040, line 21 or Form 982	N Reduction in taxes available for credit	Form 1116, line 12
F Other income (loss)	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873
12 Section 179 deduction	See the Partner's Instructions	P Extraterritorial income exclusion	Form 8873
13 Other deductions		Q Other foreign transactions	See the Partner's Instructions
A Cash contributions (50%)	See the Partner's Instructions	17 Alternative minimum tax (AMT) items	
B Cash contributions (30%)		A Post-1986 depreciation adjustment	
C Noncash contributions (50%)		B Adjusted gain or loss	
D Noncash contributions (30%)		C Depletion (other than oil & gas)	See the Partner's Instructions and the instructions for Form 6251
E Capital gain property to a 50% organization (30%)		D Oil, gas, & geothermal — gross income	
F Capital gain property (20%)		E Oil, gas, & geothermal — deductions	
G Contributions (100%)		F Other AMT items	
H Investment interest expense	Form 4952, line 1	18 Tax-exempt income and nondeductible expenses	
I Deductions — royalty income	Schedule E, line 19	A Tax-exempt interest income	Form 1040, line 8b
J Section 59(e)(2) expenditures	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions
K Deductions — portfolio (2% floor)	Schedule A, line 23	C Nondeductible expenses	See the Partner's Instructions
L Deductions — portfolio (other)	Schedule A, line 28	19 Distributions	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	A Cash and marketable securities	See the Partner's Instructions
N Educational assistance benefits	See the Partner's Instructions	B Distribution subject to section 737	
O Dependent care benefits	Form 2441, line 12	C Other property	
P Preproductive period expenses	See the Partner's Instructions	20 Other information	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	A Investment income	Form 4952, line 4a
R Pensions and IRAs	See the Partner's Instructions	B Investment expenses	Form 4952, line 5
S Reforestation expense deduction	See the Partner's Instructions	C Fuel tax credit information	Form 4136
T Domestic production activities information	See Form 8903 Instructions	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
U Qualified production activities income	Form 8903, line 7b	E Basis of energy property	See the Partner's Instructions
V Employer's Form W-2 wages	Form 8903, line 17	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
W Other deductions	See the Partner's Instructions	G Recapture of low-income housing credit (other)	Form 8611, line 8
14 Self-employment earnings (loss)		H Recapture of investment credit	See Form 4255
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		I Recapture of other credits	See the Partner's Instructions
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	J Look-back interest — completed long-term contracts	See Form 8697
B Gross farming or fishing income	See the Partner's Instructions	K Look-back interest — income forecast method	See Form 8866
C Gross non-farm income	See the Partner's Instructions	L Dispositions of property with section 179 deductions	
15 Credits		M Recapture of section 179 deduction	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	N Interest expense for corporate partners	
B Low-income housing credit (other) from pre-2008 buildings		O Section 453(l)(3) information	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		P Section 453A(c) information	
D Low-income housing credit (other) from post-2007 buildings		Q Section 1260(b) information	
E Qualified rehabilitation expenditures (rental real estate)	See the Partner's Instructions	R Interest allocable to production expenditures	See the Partner's Instructions
F Other rental real estate credits		S CCF nonqualified withdrawals	
G Other rental credits		T Depletion information — oil and gas	
H Undistributed capital gains credit		U Reserved	
I Biofuel producer credit	Form 1040, line 73; check box a	V Unrelated business taxable income	
J Work opportunity credit	See the Partner's Instructions	W Precontribution gain (loss)	
K Disabled access credit		X Section 108(i) information	
		Y Net investment income	
		Z Other information	

Arizona Form 165 Schedule K-1	Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income	2015
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Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2015 or ☐ fiscal year beginning _____ and ending _____.CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name EVELLYN ANCHESCHI	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 3033 N 37TH ST UNIT 10	Partnership's Address — number and street or rural route 11983 N 136TH WAY
Partner's City, Town or Post Office State ZIP Code PHOENIX, AZ 85018	Partnership's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259-3774

Partner's Percentage of:	Before Change or Termination	End of Year
Profit sharing	%	49 %
Loss sharing	%	49 %
Ownership of capital	%	49 %
Type of partner (individual, trust, or estate)	INDIVIDUAL	

Part I Arizona Partnership Adjustment

1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6	1	0.
2 Partner's percentage of profit or loss (expressed as a decimal)	2	0.490000
3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2	3	0.

Part II Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part II.

Pro Rata Share Items	(a) Distributive Share Amount	
4 Net capital gain (loss) from investment in a qualified small business	4	

Part III Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part III.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss)	5		

ADDITIONAL INFORMATION

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c))	6		
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PARTNER 1

ENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774
(623) 241-6876

March 10, 2016

MONTALDEO REVOCABLE TRUST
11983 N 136TH WAY
SCOTTSDALE, AZ 85259

RE:
ENERGY SERVICES GROUP, LLC
[REDACTED]
Schedule K-1 from Partnership's 2015 Return of Income

Dear MONTALDEO REVOCABLE TRUST:

Enclosed is your 2015 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from ENERGY SERVICES GROUP, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2015 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

ENERGY SERVICES GROUP, LLC

Enclosure(s)

Schedule K-1
(Form 1065)**2015**Department of the Treasury
Internal Revenue ServiceFor calendar year 2015, or tax
year beginning _____, 2015
ending _____**Partner's Share of Income, Deductions,
Credits, etc.**
▶ See separate instructions.**Part I Information About the Partnership****A** Partnership's employer identification number
[REDACTED]**B** Partnership's name, address, city, state, and ZIP codeENERGY SERVICES GROUP, LLC
11983 N 136TH WAY
SCOTTSDALE, AZ 85259-3774**C** IRS Center where partnership filed return
OGDEN, UT**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number
[REDACTED]**F** Partner's name, address, city, state, and ZIP codeMONTALDEO REVOCABLE TRUST
11983 N 136TH WAY
SCOTTSDALE, AZ 85259**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? **FIDUCIARY****I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here. ☐**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	51 %	51 %
Loss	51 %	51 %
Capital	51 %	51 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 10,880.
Qualified nonrecourse financing	\$
Recourse	\$

L Partner's capital account analysis:

Beginning capital account	\$ 0.
Capital contributed during the year	\$
Current year increase (decrease)	\$ 9,933.
Withdrawals & distributions	\$
Ending capital account	\$ 9,933.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)
M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1

651113

OMB No. 1545-0123

**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	9,972.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)	C	39.
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information
14	Self-employment earnings (loss)		

*See attached statement for additional information.

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ONLY**BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.**

Schedule K-1 (Form 1065) 2015

PARTNER 2

PTPA0312L 07/22/15

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.			
Passive loss	See the Partner's Instructions		
Passive income	Schedule E, line 28, column (g)		
Nonpassive loss	Schedule E, line 28, column (h)		
Nonpassive income	Schedule E, line 28, column (i)		
2 Net rental real estate income (loss)	See the Partner's Instructions		
3 Other net rental income (loss)	See the Partner's Instructions		
Net income	Schedule E, line 28, column (g)		
Net loss	See the Partner's Instructions		
4 Guaranteed payments	Schedule E, line 28, column (j)		
5 Interest income	Form 1040, line 8a		
6a Ordinary dividends	Form 1040, line 9a		
6b Qualified dividends	Form 1040, line 9b		
7 Royalties	Schedule E, line 4		
8 Net short-term capital gain (loss)	Schedule D, line 5		
9a Net long-term capital gain (loss)	Schedule D, line 12		
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)		
9c Unrecaptured section 1250 gain	See the Partner's Instructions		
10 Net section 1231 gain (loss)	See the Partner's Instructions		
11 Other income (loss)			
Code			
A Other portfolio income (loss)	See the Partner's Instructions		
B Involuntary conversions	See the Partner's Instructions		
C Sec. 1256 contracts & straddles	Form 6781, line 1		
D Mining exploration costs recapture	See Pub. 535		
E Cancellation of debt	Form 1040, line 21 or Form 982		
F Other income (loss)	See the Partner's Instructions		
12 Section 179 deduction	See the Partner's Instructions		
13 Other deductions			
A Cash contributions (50%)	See the Partner's Instructions		
B Cash contributions (30%)			
C Noncash contributions (50%)			
D Noncash contributions (30%)			
E Capital gain property to a 50% organization (30%)			
F Capital gain property (20%)			
G Contributions (100%)			
H Investment interest expense	Form 4952, line 1		
I Deductions — royalty income	Schedule E, line 19		
J Section 59(e)(2) expenditures	See the Partner's Instructions		
K Deductions — portfolio (2% floor)	Schedule A, line 23		
L Deductions — portfolio (other)	Schedule A, line 28		
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29		
N Educational assistance benefits	See the Partner's Instructions		
O Dependent care benefits	Form 2441, line 12		
P Preproductive period expenses	See the Partner's Instructions		
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions		
R Pensions and IRAs	See the Partner's Instructions		
S Reforestation expense deduction	See the Partner's Instructions		
T Domestic production activities information	See Form 8903 Instructions		
U Qualified production activities income	Form 8903, line 7b		
V Employer's Form W-2 wages	Form 8903, line 17		
W Other deductions	See the Partner's Instructions		
14 Self-employment earnings (loss)			
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.			
A Net earnings (loss) from self-employment	Schedule SE, Section A or B		
B Gross farming or fishing income	See the Partner's Instructions		
C Gross non-farm income	See the Partner's Instructions		
15 Credits			
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions		
B Low-income housing credit (other) from pre-2008 buildings			
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings			
D Low-income housing credit (other) from post-2007 buildings			
E Qualified rehabilitation expenditures (rental real estate)			
F Other rental real estate credits			
G Other rental credits			
H Undistributed capital gains credit	Form 1040, line 73; check box a		
I Biofuel producer credit	See the Partner's Instructions		
J Work opportunity credit			
K Disabled access credit			

Arizona Form 165 Schedule K-1	Resident and Part-Year Resident Partner's Share of Adjustment to Partnership Income	2015
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Corporate partners must use Form 165, Schedule K-1 (NR).

For the ☒ calendar year 2015 or ☐ fiscal year beginning _____ and ending _____.CHECK ONE: ☒ Original ☐ Amended

Partner's Identifying Number [REDACTED]	Partnership's Employer Identification Number (EIN) [REDACTED]
Partner's Name MONTALDEO REVOCABLE TRUST	Partnership's Name ENERGY SERVICES GROUP, LLC
Partner's Address — number and street or rural route 11983 N 136TH WAY	Partnership's Address — number and street or rural route 11983 N 136TH WAY
Partner's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259	Partnership's City, Town or Post Office State ZIP Code SCOTTSDALE, AZ 85259-3774

Partner's Percentage of:	Before Change or Termination	End of Year
Profit sharing	%	51 %
Loss sharing	%	51 %
Ownership of capital	%	51 %
Type of partner (individual, trust, or estate)	FIDUCIARY	

Part I Arizona Partnership Adjustment

- 1 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6 1 0.
- 2 Partner's percentage of profit or loss (expressed as a decimal) 2 0.510000
- 3 Partner's distributive share of the adjustment of partnership income from federal to Arizona basis: Multiply line 1 by line 2 3 0.

Part II Net Capital Gain From Investment in a Qualified Small Business — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain or loss from investment in a qualified small business, the partnership is not required to complete Part II.

Pro Rata Share Items	(a) Distributive Share Amount	
4 Net capital gain (loss) from investment in a qualified small business 4		

Part III Net Long-Term Capital Gain Subtraction — Information Schedule

If the partner's federal Schedule K-1 (Form 1065) does not include any net long-term capital gain or loss, the partnership is not required to complete Part III.

Pro Rata Share Items From Federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
5 Net long-term capital gain (loss) 5			

ADDITIONAL INFORMATION

6 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 5, column (c)) ... 6			
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PARTNER 2

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**Do not file this form unless the corporation has filed or is
attaching Form 2553 to elect to be an S corporation.**2017**Go to www.irs.gov/Form1120S for instructions and the latest information.

For calendar year 2017 or tax year beginning

07-01-2017, ending

12-31-2017

A Selection effective date

07-01-2017

Name

ENERGY SERVICES GROUP LLC

D Employer identification number**B** Business activity code
number (see instructions)

336990

TYPE**OR****PRINT**

Number, street, and room or suite no. If a P.O. box, see instructions

PO BOX 1624

City or town, state or province, country, and ZIP or foreign postal code

Litchfield Park AZ 85340

E Date incorporated

09-27-2011

F Total assets (see instructions)**S****G** Is the corporation electing to be an S corporation beginning with this tax year? ☒ Yes ☐ No If "Yes," attach Form 2553 if not already filed**H** Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S selection termination or revocation**I** Enter the number of shareholders who were shareholders during any part of the tax year 1**Caution:** Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	209,438	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c	209,438	
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1c	3	209,438	
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
5 Other income (loss) (see instructions - attach statement)	5			
6 Total income (loss). Add lines 3 through 5	6	209,438		
Deductions (see instructions for limitations)	7 Compensation of officers (see instructions - attach Form 1125-E)	7		
	8 Salaries and wages (less employment credits)	8	121,134	
	9 Repairs and maintenance	9		
	10 Bad debts	10		
	11 Rents	11		
	12 Taxes and licenses	12	9,842	
	13 Interest	13		
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	35,933	
	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16	2,524	
	17 Pension, profit-sharing, etc., plans	17		
18 Employee benefit programs	18	8,244		
19 Other deductions (attach statement)	19	76,816		
20 Total deductions. Add lines 7 through 19	20	254,493		
21 Ordinary business income (loss). Subtract line 20 from line 6	21	(45,055)		
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23a 2017 estimated tax payments and 2016 overpayment credited to 2017	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Add lines 23a through 23c	23d		
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	24		
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed	25		
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26		
27 Enter amount from line 26 Credited to 2018 estimated tax	27			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS process this return
with the preparer shown below
(see instructions)? ☒ Yes ☐ No**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ PTIN
self-employed

Firm's name

MATHENY & COMPANY LLC

Firm's EIN

Firm's address

360 S. FARMER AVE.
TEMPE AZ 85281

Phone no

(480) 774-2906

Schedule B Other Information (see instructions)

	Yes	No
1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____		
2 See the instructions and enter the: a Business activity <u>ENGINEERING</u> b Product or service <u>TURBINE ENGINES</u>		
3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation		X
4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) is 100%. Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

	Yes	No
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

CLIENT COPY

5 a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below: (i) Total shares of restricted stock _____ (ii) Total shares of non-restricted stock _____		X
b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below: (i) Total shares of stock outstanding at the end of the tax year _____ (ii) Total shares of stock outstanding if all instruments were executed _____		X
6 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
7 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) \$ _____		
9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____		
10 Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 b The corporation's total assets at the end of the tax year were less than \$250,000 If "Yes," the corporation is not required to complete Schedules L and M-1.	X	
11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$ _____		X
12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X
13 a Did the corporation make any payments in 2017 that would require it to file Form(s) 1099?		X
b If "Yes," did the corporation file or will it file required Forms 1099?		

Form 1120S (2017)

ENERGY SERVICES GROUP LLC

Page 3

Schedule K Shareholders' Pro Rata Share Items

Total amount

Income (Loss)	1	Ordinary business income (loss) (page 1, line 21)	1	(45,055)
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	3a	Other gross rental income (loss)	3a	
	b	Expenses from other rental activities (attach statement)	3b	
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4	Interest income	4	
	5	Dividends: a Ordinary dividends	5a	
	b	Qualified dividends	5b	
	6	Royalties	6	
	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Income (Loss)	8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
	b	Collectibles (28%) gain (loss)	8b	
	c	Unrecaptured section 1250 gain (attach statement)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9		
10	Other income (loss) (see instructions) . . . Type	10		
Deductions	11	Section 179 deduction (attach Form 4562)	11	
	12a	Charitable contributions	12a	
	b	Investment interest expense	12b	
	c	Section 59(e)(2) expenditures (1) Type (2) Amount	12c(2)	
d	Other deductions (see instructions) . . . Type	12d		
Credits	13a	Low-income housing credit (section 42(j)(5))	13a	
	b	Low-income housing credit (other)	13b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13c	
	d	Other rental real estate credits (see instructions) . . . Type	13d	
	e	Other rental credits (see instructions)	13e	
	f	Biofuel producer credit (attach Form 6478)	13f	
	g	Other credits (see instructions) . . . Type	13g	
Foreign Transactions	14a	Name of country or U.S. possession	14a	
	b	Gross income from all sources	14b	
	c	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level	14d	
	d	Passive category	14e	
	e	General category	14f	
	f	Other (attach statement)	14g	
		Deductions allocated and apportioned at shareholder level	14h	
	g	Interest expense	14i	
	h	Other	14j	
		Deductions allocated and apportioned at corporate level to foreign source income	14k	
	i	Passive category	14l	
	j	General category	14m	
	k	Other (attach statement)	14n	
	Other information	14o		
Alternative Minimum Tax (AMT) Items	l	Total foreign taxes (check one) <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14p	
	m	Reduction in taxes available for credit (attach statement)	14q	
	n	Other foreign tax information (attach statement)	14r	
	15a	Post-1986 depreciation adjustment	15a	
	b	Adjusted gain or loss	15b	
	c	Depreciation (other than oil and gas)	15c	
Items Affecting Shareholder Basis	d	Oil, gas, and geothermal properties - gross income	15d	
	e	Oil, gas, and geothermal properties - deductions	15e	
	f	Other AMT items (attach statement)	15f	
	16a	Tax-exempt interest income	16a	
	b	Other tax-exempt income	16b	
	c	Nondeductible expenses	16c	49
d	Distributions (attach statement if required) (see instructions)	16d		
e	Repayment of loans from shareholders	16e		

Schedule K		Shareholders' Pro Rata Share Items (continued)	Total amount
Other Information	17 a	Investment income	17a
	b	Investment expenses	17b
	c	Dividend distributions paid from accumulated earnings and profits	17c
	d	Other items and amounts (attach statement)	
Reconciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i	18 (45,055)

Schedule L		Balance Sheets per Books		Beginning of tax year	End of tax year
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	()		()	
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)				
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets				
b	Less accumulated depreciation	()		()	
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets				
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)				
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings				
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	()		()	
27	Total liabilities and shareholders' equity				

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Schedule M-1**Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

Note: The corporation may be required to file Schedule M-3 (see instructions)

1 Net income (loss) per books 2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): _____ 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14 (itemize): a Depreciation \$ _____ b Travel and entertainment \$ _____ 4 Add lines 1 through 3	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): a Tax-exempt interest \$ _____ 6 Deductions included on Schedule K, lines 1 through 12 and 14, not charged against book income this year (itemize): a Depreciation \$ _____ 7 Add lines 5 and 6 8 Income (loss) (Schedule K, line 18). Line 4 less line 7
--	---

Schedule M-2**Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year			
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	(45,055)		
5 Other reductions Statement - #30	(49)		
6 Combine lines 1 through 5	(45,104)		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	(45,104)		

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**Schedule K-1
(Form 1120S)**Department of the Treasury
Internal Revenue Service**2017**

For calendar year 2017, or tax year

beginning 07-01-2017 ending 12-31-2017**Shareholder's Share of Income, Deductions, Credits, etc.**
See page 2 of form and separate instructions.**Part I Information About the Corporation****A** Corporation's employer identification number**B** Corporation's name, address, city, state, and ZIP code

ENERGY SERVICES GROUP LLC

PO BOX 1624

Litchfield Park AZ 85340

C IRS Center where corporation filed return

OGDEN

Part II Information About the Shareholder**D** Shareholder's identifying number**E** Shareholder's name, address, city, state, and ZIP code

BRENT GREGORY

11983 N 136TH WAY
Scottsdale

AZ 85259

F Shareholder's percentage of stock ownership for tax year

100.00000 %

☐ Final K-1☐ Amended K-1

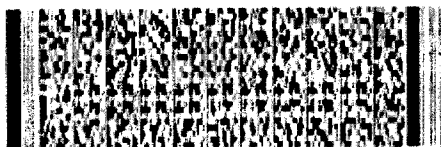
OMB No. 1545-0123

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	13	Credits
	(45,055)		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction		
12	Other deductions	16	Items affecting shareholder basis
		C*	STMT
		17	Other information

* See attached statement for additional information

For IRS Use Only



Schedule K-1 Supplemental Information**2017**

Shareholder's name

BRENT GREGORY

Shareholder's ID Number

Name of S Corporation

ENERGY SERVICES GROUP LLC

S Corporation's EIN

Form 1120S Schedule K-1 - Line 16

Code	Description	Amount
C	Other Nondeductible Expenses	49
	Meals and Entertainment	49
	Total	49

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Form **2553**

(Rev. December 2017)

Department of the Treasury
Internal Revenue Service**Election by a Small Business Corporation**

(Under section 1362 of the Internal Revenue Code)

(Including a late election filed pursuant to Rev. Proc. 2013-30)

You can fax this form to the IRS. See separate instructions.

OMB No. 1545-0123

Go to www.irs.gov/Form2553 for instructions and the latest information.

Note: This election to be an S corporation can be accepted only if all the tests are met under *Who May Elect* in the instructions, all shareholders have signed the consent statement, an officer has signed below, and the exact name and address of the corporation (entity) and other required form information have been provided.

Part I Election InformationType
or
Print

Name (see instructions)

ENERGY SERVICES GROUP LLC

A Employer identification number

Number, street, and room or suite no. if a P.O. box, see instructions

PO BOX 1624

B Date incorporated

City or town, state or province, country, and ZIP or foreign postal code

Litchfield Park AZ 85340

C State of incorporation

AZ

D Check the applicable box(es) if the corporation (entity), after applying for the EIN shown in A above, changed its

name or address

E Election is to be effective for tax year beginning (month, day, year) (see instructions) 07-01-2017

Caution: A corporation (entity) making the election for its first tax year in existence will usually enter the beginning date of a short tax year that begins on a date other than January 1.

F Selected tax year:

- (1) ☒ Calendar year
 (2) ☐ Fiscal year ending (month and day) _____
 (3) ☐ 52-53-week year ending with reference to the month of December
 (4) ☐ 52-53-week year ending with reference to the month of _____

If box (2) or (4) is checked, complete Part II.

CLIENT COPYG If more than 100 shareholders are listed for item J (see page 2), check this box if treating members of a family as one shareholder results in no more than 100 shareholders (see test 2 under *Who May Elect* in the instructions) ☐

H Name and title of officer or legal representative who the IRS may call for more information

Telephone number of officer or legal representative

BRAD MATHENY,

(480) 774-2908

I If this S corporation election is being filed late, I declare I had reasonable cause for not filing Form 2553 timely. If this late election is being made by an entity eligible to elect to be treated as a corporation, I declare I also had reasonable cause for not filing an entity classification election timely and the representations listed in Part IV are true. See below for my explanation of the reasons the election or elections were not made on time and a description of my diligent actions to correct the mistake upon its discovery. See instructions.

LATE S ELECTION FILED PURSUANT TO REVENUE PROCEDURE 2007-62.
 SEE STATEMENT ATTACHED.

Sign
Here

Under penalties of perjury, I declare that I have examined this election, including accompanying documents, and, to the best of my knowledge and belief, the election contains all the relevant facts relating to the election, and such facts are true, correct, and complete.

Signature of officer

PRESIDENT

Title

Date

For Paperwork Reduction Act Notice, see separate instructions.

Form 2553 (Rev. 12-2017)

Employer identification number

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Form 2553 (Rev. 12-2017)

Name ENERGY SERVICES GROUP LLC	Employer identification number [REDACTED]
--	---

Part II Selection of Fiscal Tax Year (see instructions)**Note:** All corporations using this part must complete item O and item P, Q, or R.**O** Check the applicable box to indicate whether the corporation is:

1. ☐ A new corporation **adopting** the tax year entered in item F, Part I.
2. ☐ An existing corporation **retaining** the tax year entered in item F, Part I.
3. ☐ An existing corporation **changing** to the tax year entered in item F, Part I.

P Complete item P if the corporation is using the automatic approval provisions of Rev. Proc. 2006-46, 2006-45 I.R.B. 859, to request (1) a natural business year (as defined in section 5.07 of Rev. Proc. 2006-46) or (2) a year that satisfies the ownership tax year test (as defined in section 5.08 of Rev. Proc. 2006-46). Check the applicable box below to indicate the representation statement the corporation is making

1. **Natural Business Year** ☐ I represent that the corporation is adopting, retaining, or changing to a tax year that qualifies as its natural business year (as defined in section 5.07 of Rev. Proc. 2006-46) and has attached a statement showing separately for each month the gross receipts for the most recent 47 months. See instructions. I also represent that the corporation is not precluded by section 4.02 of Rev. Proc. 2006-46 from obtaining automatic approval of such adoption, retention, or change in tax year.
2. **Ownership Tax Year** ☐ I represent that shareholders (as described in section 5.08 of Rev. Proc. 2006-46) holding more than half of the shares of the stock (as of the first day of the tax year to which the request relates) of the corporation have the same tax year or are concurrently changing to the tax year that the corporation adopts, retains, or changes to per item F, Part I, and that such tax year satisfies the requirement of section 4.01(3) of Rev. Proc. 2006-46. I also represent that the corporation is not precluded by section 4.02 of Rev. Proc. 2006-46 from obtaining automatic approval of such adoption, retention, or change in tax year.

Note: If you do not use item P and the corporation wants a fiscal tax year, complete either item Q or R below. Item Q is used to request a fiscal tax year based on a business purpose and to make a back-up section 444 election. Item R is used to make a regular section 444 election.**Q** **Business Purpose** - To request a fiscal tax year based on a business purpose, check box Q1. See instructions for details including payment of a user fee. You may also check box Q2 and/or box Q3.

1. Check here ☐ if the fiscal year entered in item F, Part I, is requested under the prior approval provisions of Rev. Proc. 2002-39, 2002-22 I.R.B. 1046. Attach to Form 2553 a statement describing the relevant facts and circumstances and, if applicable, the gross receipts from sales and services necessary to establish a business purpose. See the instructions for details regarding the gross receipts from sales and services. If the IRS proposes to disapprove the requested fiscal year, do you want a conference with the IRS National Office?

☐ Yes ☐ No

2. Check here ☐ to show that the corporation intends to make a back-up section 444 election in the event the corporation's business purpose request is not approved by the IRS. See instructions for more information.

3. Check here ☐ to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event (1) the corporation's business purpose request is not approved and the corporation makes a back-up section 444 election, but is ultimately not qualified to make a section 444 election, or (2) the corporation's business purpose request is not approved and the corporation did not make a back-up section 444 election.

R **Section 444 Election** - To make a section 444 election, check box R1. You may also check box R2.

1. Check here ☐ to show that the corporation will make, if qualified, a section 444 election to have the fiscal tax year shown in item F, Part I. To make the election, you must complete **Form 8716, Election To Have a Tax Year Other Than a Required Tax Year**, and either attach it to Form 2553 or file it separately.

2. Check here ☐ to show that the corporation agrees to adopt or change to a tax year ending December 31 if necessary for the IRS to accept this election for S corporation status in the event the corporation is ultimately not qualified to make a section 444 election.

Form 2553 (Rev. 12-2017)

Name

Employer identification number

ENERGY SERVICES GROUP LLC

Part III **Qualified Subchapter S Trust (QSST) Election Under Section 1361(d)(2)*** Note: If you are making more than one QSST election, use additional copies of page 4.

Income beneficiary's name and address

Social security number

Trust's name and address

Employer identification number

Date on which stock of the corporation was transferred to the trust (month, day, year)

In order for the trust named above to be a QSST and thus a qualifying shareholder of the S corporation for which this Form 2553 is filed, I hereby make the election under section 1361(d)(2). Under penalties of perjury, I certify that the trust meets the definitional requirements of section 1361(d)(3) and that all other information provided in Part III is true, correct, and complete.

Signature of income beneficiary or signature and title of legal representative or other qualified person making the election

Date

* Use Part III to make the QSST election only if stock of the corporation has been transferred to the trust on or before the date on which the corporation makes its election to be an S corporation. The QSST election must be made and filed separately if stock of the corporation is transferred to the trust **after** the date on which the corporation makes the S election.

Part IV **Late Corporate Classification Election Representations (see instructions)**

If a late entity classification election was intended to be effective on the same date that the S corporation election was intended to be effective, relief for a late S corporation election must also include the following representations.

- 1 The requesting entity is an eligible entity as defined in Regulations section 301.7701-3(a).
- 2 The requesting entity intended to be classified as a corporation as of the effective date of the S corporation status;
- 3 The requesting entity fails to qualify as a corporation solely because Form 8832, Entity Classification Election, was not timely filed under Regulations section 301.7701-3(c)(1)(i), or Form 8832 was not deemed to have been filed under Regulations section 301.7701-3(c)(1)(v)(C);
- 4 The requesting entity fails to qualify as an S corporation on the effective date of the S corporation status solely because the S corporation election was not timely filed pursuant to section 1362(b); and
- 5a The requesting entity timely filed all required federal tax returns and information returns consistent with its requested classification as an S corporation for all of the years the entity intended to be an S corporation and no inconsistent tax or information returns have been filed by or with respect to the entity during any of the tax years, or
- b The requesting entity has not filed a federal tax or information return for the first year in which the election was intended to be effective because the due date has not passed for that year's federal tax or information return.

EEA

Form 2553 (Rev. 12-2017)

FILED PURSUANT TO REV. PROC. 2007-62

Statement to Establish Reasonable Cause for Failure to File Timely S Election

The undersigned, being the Sole Member of Energy Services Group LLC, holding 100% of the Limited Liability Companies ownership interests, do attest to the following:

- (a) Energy Services Group LLC and the sole member reported their income (on all affected tax returns) consistent with S Corporation status for the year the S corporation election should have been made, and for every subsequent taxable year, and
- (b) The failure to file the S election was due to reasonable cause and not willful neglect; furthermore, the members sought professional advice in making the S election and misunderstood as to when the election was to be timely filed, furthermore the members have an established history of filing timely tax returns and complying with IRS rules and regulations, and
- (c) Under penalties of perjury, to the best of our knowledge and belief, the facts presented in support of this election are true, correct, and complete.

Brent Gregory
Member

Date

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

OMB No. 1545-0172

2017Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue Service (999)

Attach to your tax return.

Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

ENERGY SERVICES GROUP LLC

FORM 1120S

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2016 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2018. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	29,944
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2017	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2017 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		29,944	5	HY	200 DB	5,989
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2017 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	35,933
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form 4562 (2017)

Federal Supporting Statements

2017 PG01

Name(s) as shown on return:

FEIN

ENERGY SERVICES GROUP LLC

Form 1120S - Line 19 - Other Deductions

Statement #2

<u>Description</u>	<u>Amount</u>
Automobile and Truck Expense	1,214
Computer	13
Liability Insurance	3,538
Workers Comp Insurance	285
Legal and Professional	4,788
50% Meals and Entertainment	49
Office Expense	257
Outside Services/Sub Contractors	54,673
Supplies	1,800
Travel	1,285
CONTRACT SERVICES	7,702
PAYROLL PROCESSING FEE	1,212
Total	76,816

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Schedule K - Line 16c - Nondeductible Expenses

PG01

Statement #16c

<u>Description</u>	<u>Amount</u>
Meals and Entertainment	49
Total	49

Schedule M-2 - Line 5 - Other Reductions

PG01

Statement #30

<u>Description</u>	<u>Amount</u>
Nondeductible Expenses	49
Total	49

Arizona Form
120S

Arizona S Corporation Income Tax Return

2017For the ☐ calendar year 2017 or ☒ fiscal year beginning 07-01-2017 and ending 12-31-2017

Business Telephone Number (with area code)	Name ENERGY SERVICES GROUP LLC	CHECK ONE: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Amended	
	Address - number and street or PO Box	Employer Identification Number (EIN) [REDACTED]	
Business Activity Code (from federal Form 1120-S)	City, Town or Post Office	State	ZIP Code
336990	Litchfield Park	AZ	85340

68 Check box if: ☒ This is a first return ☐ Name change ☐ Address change

A ARIZONA apportionment for multistate S corporations only (check one box):
☐ AIR CARRIER ☐ STANDARD ☐ SALES FACTOR ONLY

B ☐ Check if Multistate Service Provider Election and Computation (Arizona Schedule MSP) is included. Indicate the year of the election cycle. ☐ Yr 1 ☐ Yr 2 ☐ Yr 3 ☐ Yr 4 ☐ Yr 5

C Is this the S corporation's final Arizona return under this EIN? ☐ Yes ☒ No
 If "Yes", check one: ☐ Dissolved ☐ Withdrawn ☐ Merged/Reorganized
 List EIN of the successor corporation, if any: _____

D Does the S corporation conduct business within and without Arizona? ☐ Yes ☒ No

E Will a composite return be filed on Form 140NR? ☐ Yes ☐ No

F Total number of nonresident individual shareholders _____

G Total number of resident and part-year resident individual shareholders 1

H Total number of entity shareholders (See instructions, page 5) _____

Nonprofit Medical Marijuana Dispensary (NMMD) only (see instructions, page 5):
☐ NMMD Registry Identification Number: _____

Check box if return filed under extension:

62 **82F** ☐

REVENUE USE ONLY. DO NOT MARK IN THIS AREA.

68**61** PM**66** RCVD**CLIENT COPY**

1 TOTAL DISTRIBUTIVE INCOME (LOSS) from federal Form 1120-S, Schedule K	1	(45,055)00
--	----------	-------------------

Complete lines 2-12 only if the S corporation has excess net passive income or capital gains/built-in gains. An S corporation that is not required to complete lines 2-12 must complete lines 13-25 if the S corporation has a tax liability from the recapture of tax credits.

2 Excess net passive income	2	00
3 Capital gains/built-in gains	3	00
4 Total federal income subject to corporate income tax: Add lines 2 and 3. WHOLLY ARIZONA S CORPORATIONS GO TO LINE 11	4	00
5 Nonapportionable or allocable income: Include schedule. MULTISTATE S CORPORATIONS ONLY	5	00
6 Apportionable income: Subtract line 5 from line 4. MULTISTATE S CORPORATIONS ONLY	6	00
7 Arizona apportionment ratio from Schedule A or Schedule ACA	7	1.000000
8 Income apportioned to Arizona: Line 6 multiplied by line 7. MULTISTATE S CORPORATIONS ONLY	8	00
9 Other income allocated to Arizona: Include schedule. MULTISTATE S CORPORATIONS ONLY	9	00
10 Total income attributable to Arizona: Add lines 8 and 9. Enter the total.	10	00
11 Net income subject to Arizona corporate income tax: WHOLLY ARIZONA S CORPORATIONS ENTER THE AMOUNT FROM LINE 4 MULTISTATE S CORPORATIONS ENTER THE AMOUNT FROM LINE 10	11	00
12 Enter tax: Tax is 4.9% of line 11 or fifty dollars (\$50), whichever is greater. See instructions before completing this line.	12	00
13 Tax from recapture of tax credits from Arizona Form 300, Part 2, line 31	13	00
14 Subtotal: Add lines 12 and 13. Enter the total.	14	00
15 Nonrefundable tax credits from Arizona Form 300, Part 2, line 56	15	00
16 Credit type: Enter form number for each nonrefundable credit used: 16 <u>3</u> <u>3</u> <u>3</u> <u>3</u>	16	00
17 Tax liability: Subtract line 15 from line 14. Enter the difference.	17	00
18 Refundable tax credits: Check box(es) and enter amount 18 <input type="checkbox"/> 308 <input type="checkbox"/> 342 <input type="checkbox"/> 349	18	00
19 Extension payment made with Form 120EXT or online: See instructions	19	00
20 Estimated tax payments: See instructions	20	00
21 Total payments: Add lines 18 through 20. Enter the total. For amended returns, see instructions	21	00
22 Balance of tax due: If line 17 is larger than line 21, subtract line 21 from line 17. Enter the difference. Skip line 23.	22	00
23 Overpayment of tax: If line 21 is larger than line 17, subtract line 17 from line 21. Enter the difference.	23	00
24 Penalty and interest	24	00
25 Estimated tax underpayment penalty. If Form 220 is included, check box 25A <input type="checkbox"/>	25	00
26 Information return penalty: See instructions	26	00
27 TOTAL DUE: See instructions Non-EFT payment must accompany return	27	00
28 OVERPAYMENT: See instructions	28	00
29 Amount of line 28 to be applied to 2018 estimated tax	29	00
30 Amount to be refunded: Subtract line 29 from line 28. Enter the difference.	30	00

[REDACTED]

Page 2 of 3

Name (as shown on page 1)

ENERGY SERVICES GROUP LLC

EIN

SCHEDULE C Shareholder Information

Prepare a schedule that lists each shareholder's name, address, taxpayer identification number, and pro rata share of the amount shown on line 1. Label the listing as "Schedule C: Shareholder Information" and include the schedule immediately after page 3 of Form 120S.

The following declaration must be signed by one or more of the following officers: president, treasurer, or any other principal officer.

Declaration Under penalties of perjury, I(we), the undersigned officer(s) authorized to sign this return, declare that I(we) have examined this return, including the accompanying schedules and statements, and to the best of my(our) knowledge and belief, it is a true, correct and complete return, made in good faith, for the taxable year stated pursuant to the income tax laws of the State of Arizona

Please
Sign

OFFICER'S SIGNATURE

DATE

TITLE

Here

OFFICER'S SIGNATURE

DATE

TITLE

Paid
Preparer's
Use
Only

PAID PREPARER'S SIGNATURE

DATE

PAID PREPARER'S PTIN

MATHENY & COMPANY LLC

FIRM'S NAME (OR PAID PREPARER'S NAME, IF SELF-EMPLOYED)

FIRM'S ☒ EIN OR ☐ SSN

360 S. FARMER AVE.

480-774-2906

FIRM'S STREET ADDRESS

FIRM'S TELEPHONE NUMBER

TEMPE, AZ

85281

CITY

STATE

ZIP CODE

CLIENT COPY

Mail to: Arizona Department of Revenue, PO Box 29079, Phoenix, AZ 85038-9079

Name (as shown on page 1)

ENERGY SERVICES GROUP LLC

EIN

Arizona 120S Schedule C - Shareholder Information

Shareholders	Name and address	Shareholder's TIN	Percent of ownership	Pro rata share of income or (loss)	Check here if shareholder is nonresident
A	BRENT GREGORY 11983 N 136TH WAY Scottsdale, AZ 85259	[REDACTED]	100.000	(45,055)	
B					
C					
D					
E					
F					
G	CLIENT COPY				
H					
I					
J					
K					
L					
TOTALS			100.000	(45,055)	

Arizona Form
120S Schedule K-1

Resident and Part-Year Resident
Shareholder's Information Schedule

2017

For the ☐ calendar year 2017 or ☒ fiscal year beginning 07-01-2017 and ending 12-31-2017.

CHECK ONE: ☒ Original ☐ Amended

Shareholder's Identifying Number [REDACTED]		S corporation's Employer Identification Number (EIN) [REDACTED]	
Shareholder's Name BRENT GREGORY		S corporation's Name ENERGY SERVICES GROUP LLC	
Shareholder's Address - number and street or rural route 11983 N 136TH WAY		S corporation's Address - number and street or rural route PO BOX 1624	
Shareholder's City, Town or Post Office Scottsdale	State ZIP Code AZ 85259	S corporation's City, Town or Post Office Litchfield Park	State ZIP Code AZ 85340
Shareholder's percentage of stock ownership for the taxable year: 100.0000 %			

Part 1 Net Capital Gain From Investment in a Qualified Small Business - Information Schedule

If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any net capital gain (loss) from investment in a qualified small business as determined by the Arizona Commerce Authority, the S corporation is not required to complete Part 1.

Pro Rata Share Items	Distributive Share Amount
1 Net capital gain (loss) from investment in a qualified small business 1	

Part 2 Net Long-Term Capital Gain Subtraction - Information Schedule

If the shareholder's federal Schedule K-1 (Form 1120-S) includes net long-term capital gain (loss), complete line 2 and line 3 (if applicable).
If the shareholder's federal Schedule K-1 (Form 1120-S) does not include any net long-term capital gain (loss), the S corporation is not required to complete Part 2.

Pro Rata Share Items From federal Form 1120-S, Schedule K-1	(a) Distributive Share Amount	(b) Net long-term capital gain (loss) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gain (loss) included in column (a) from assets acquired after December 31, 2011
2 Net long-term capital gain (loss) 2			

ADDITIONAL INFORMATION:

3 Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 2, column (c)) 3			
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Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)

Note: Arizona does not allow any additional depreciation benefits provided by I.R.C. Section 168(k) and 1400L, and Section 179(e) is treated as it was in effect before the enactment of the Jobs and Growth Tax Relief Reconciliation Act of 2003. Arizona has not adopted any provisions of the Hiring Incentives to Restore Employment Act of 2010, the Small Business Job Act of 2010 and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.

See separate instructions.

2017**Arizona**

Attach to your tax return.

Name(s) shown on return:

Business or activity to which this form relates:

Identifying number:

ENERGY SERVICES GROUP LLC**FORM 1120S****Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	510,000
2	Total cost of section 179 property placed in service (see instructions)	2	59,888
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,030,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	510,000

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2016 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2018. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2017	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2017 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business investment, use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		59,888	5	HY	200 DB	11,978
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2017 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	11,978
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.


Form **4562** (2017)

Reply Reply All Forward

Brent_Chris.docx

Brent Gregory

brent1511@me.com

Attachments:  Brent_Chris.docx (31 KB) [Open as Web Page]

Friday, April 08, 2016 9:34

Brent

I've put this letter together because I don't think that I could have shared in an organized manner what is going on in my mind. The following is a summary of my thoughts and interpretation of your actions and our dialogue over the last few months.

At the end of last week, we had a difficult conversation that concluded that we need to have more communication. I had said then and before, that a major issue I have is that I feel like I have to lie about my employment to my colleagues and subsequently my friends. I do not feel comfortable having to be misleading or secretive about my employment. It makes me feel like I am doing something wrong. I want to be transparent about who I work for and be able to show pride in what I am doing, instead I must pretend to continue to work for CPS to Ben/Daniel/Kelly and any every other employee of CPS from the other offices. When we had a discussion, a few months ago about these concerns of mine, we agreed on a solution to disclose information about my employment to everyone in our office. However, the only result of it was you having a discussion with Oleg, who already knew that I don't work for CPS, but you settled that Ben did not need to be talked to. The summary is that nothing changed and my concerns were dismissed according to what you believe is right. To summarize:

You want ESG to be more in the open

Along with my concerns on transparency are the line between CPS and ESG. When we discuss this, you tell me to rest assured that you want to see a separation between the two companies more than I do. I whole heartedly believe that, but I also believe that you think that the most reasonable way to achieve this is through using CPS' resume to generate work for ESG. I don't believe that this is the case and that if we work hard at doing something else that CPS doesn't do, as we had planned and envisioned when we first started this adventure, we will be successful. But I don't see us putting forward that plan first.

When we discussed this you left me second guessing about a second agenda that I felt you were trying to communicate but you said not. I said you could go off on your own (like take a sabbatical from CPS and see what you could do). In any event you have said it now so to summarize:

You want to get some air between (be more autonomous) CPS and ESG

Over time, after seeing that my uneasiness has limited effect on the actions taken by you, I started questioning my effectiveness in other areas. I looked to my ability to fulfil my responsibilities as General Manager of ESG. When ESG was started, I was told that my role would be to act as General Manager while your role would be more in the background as you continuing to focus on CPS. This separation would allow me to focus on ESG and promote a clear division between work groups. However, I felt for many months that I have been on a short leash and not allowed to fulfill my responsibilities of GM. Attempts to work with you and get additional help, whether it was with administrative functions or technical support, have been all been shut down because the risk has been too great. With Rebecca, since the fall of last year I have been trying to find a way to commit more to Rebecca so that she could provide us with more hours to finish the work that she is behind on because she simply does not have enough time. But at every time I brought this up, you emphasized that the associated risk was

unacceptable. As understandable as it is, I continue to spend my time doing administrative tasks that should not be on my plate and ESG continued to fall further behind on tasks that made its employees suffer and carry the burden. It was so bad that I gave serious thought to taking a salary cut so that we could afford giving Rebecca more hours as we were falling so far behind and I was desperate for the help. Only recently are we looking at a change to Rebecca's employment and it seems to have come at a time where she was at her tipping point. I am grateful and relieved that we are making this adjustment but still saddened that when I asked for help, I was not supported to take action and relieve my stress, but instead told to be still and continue to carry the burden.

To summarize:

You are not happy with the administrative side of the business. This is a surprise to me because I spend at least half my time doing admin work for CPS (and some for ESG) because we can't afford an Admin. Much of that is not compensated; it's the burden of being "self" employed. Never the less to Summarize:

you don't want to do Admin work (or at least a lot less than you are doing now).

Recently I have brought up getting extra help with Danielle. I see an opportunity with her to get her to help me with Siemens. I'm afraid of her leaving because we are communicating that we are unable to guarantee her anything beyond day-to-day work essentially. The safety net that she has with Aerotek is something that keeps her feeling comfortable about not being out of work overnight, however the cost of her through Aerotek is burdensome to ESG as it is almost double her salary. Unless ESG could provide assurance that we would not drop her from one day to the next, she would not take the risk and leave Aerotek. At this point, I spoke with you about my concerns with Danielle and also pointed out that by getting her off her the Aerotek contract, we could save \$20 on her hourly rate. To accomplish this, she asked to have some assurance that there was some stability for her. I discussed with you pursuing a route of coming up with a work agreement that would give her assurance she would have at least a two week notice before being dismissed and you approved. Although I thought this conversation was very clear on its contents, last week you said that there was a misunderstanding around this because you would have never approved of taking this risk. From this I took two things home with me: (1) risk associated with getting me help is not going to happen, (2) we have an ongoing issue of misunderstandings as this has happened before.

As I said in my email I don't understand your numbers, you charge CPS \$135 for Hassan, he costs ESG \$73 and by hiring Danielle we save \$20 hour, so I assume we pay AEROTEK \$93/hour. Getting YOU help is different from hiring a person. Is it about risk or help? If it is about Help then don't you get it with Danielle working for you? I am not sure what you are asking for here please explain this and perhaps help me understand the numbers. Its not clear to me what you are saying here but I think it is that:

You want help at the expense of risk

What I find hurtful about the risk with getting help is that it is acceptable for ESG to take on risk when you alone decide so, as is the case with hiring Hassan. It's on work that is in the pipeline from Majed (who as you put it is notoriously bad at coming through on his promises) and the Uzbek work that has

yet to materialize a contract, unlike the Siemens work that currently exists. If you need the help, are willing to take the risk, and don't care about my opinion on the issue, why not hire him as part of CPS?

I actually don't need help. I did not hire Hassan, Majed did. I also told him he worked as a contractor so I am not allowed to hire him into CPS. I have a boss who tells me what to do. As for your opinion on the issue, what is it precisely? I am not clear on which issue you are referring to. If we hire him as a CPS employee, ESG will not make any money and then how will ESG support itself? Summarizing this is difficult for me to do but I think you do not want Hassan working for ESG but I do not understand your reasons for wanting this.

Thus far, I have brought up my desire for transparency and creating more separation between CPS and ESG but the feedback is met with suppression and minimal action. Treating others as I want to be treated is something that I hold the highest value in, and I would believe that you do too as you are a good man. But after months of being told that my concerns are not an issue is painful to the spirit and does not offer me peace of mind. I would not want my colleagues to come to work every day, hiding something from me or selling themselves as something they are not as is the case with me not being able to tell people I work for ESG and not CPS. You have set Hassan up to go work for Majed as an ESG employee but put him in a position that he cannot talk about his employer because of the risk associated with finding who owns ESG. I would not want to be put in this position myself and I am consistently uncomfortable with the idea that I am in this position now. This could easily be solved by making Hassan a CPS employee and letting him speak freely of the truth of his employment. I don't think that it is right that we continue to use the CPS Brand for the substantial benefit of ESG. You console and work to convince me that everything is okay and Majed knows everything, but I don't believe that if he knew that while CPS makes 15% on the contracts, ESG is making +40% profits and ultimately that money is going right back to you and I. This makes me very uncomfortable. I don't think that he would be okay with this, and I would not want to be treated this way, as an employee, shareholder or colleague. Your issues with Majed may be well founded, but he never took from me and I don't like that idea that I am taking from him. The plan for ESG continues to be to pursue projects such that ESG can capitalize off a brand that it did not make through the use of CPS' resume and ultimately have an overwhelmingly majority of profits earmarked for ESG. I don't believe that if Majed or the courts saw who the profits were going to all would be okay. Even if the bulk of the profits were to stay with CPS, I cannot imagine that anyone from CPS would be okay with money passing through CPS to go right back to you and I. With the Uzbek work, the same method is planned; to use CPS' resume but divert much of the profits to ESG. However the Uzbek work takes things further and makes it seem like we are working with a man who is willing to deal in bribes to win contracts. We had at one point discussed the likelihood of this happening and how you told Tony that you didn't want to be involved in it in any way. When I brought this up again you told me to rest assured that there is no evidence to support this that ESG is far enough removed from Tony and for sure not doing anything wrong. As this point, just because we don't know that it's not happening, the suspicion Tony is breaking the law¹ is still strong in my mind and I don't think that this is the type of way we need to make money. The prospect of "a lot" of money is no reason for me to compromise on my morals or values.

1 <https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act>

This is long and somewhat complex but I take it you are not comfortable with the arrangement on several fronts... To Summarize:

You have come to realize the concept of ESG (which is operating under its original concept) is not working for you. You believe I am acting immorally and so is Tony.

Most everything I have stated above should not be the first time you hear this because I have shared these thoughts with you before. But having voiced my concerns on multiple occasions prior to this, no actions have been taken on my behalf and my concerns were continuously minimized as something not worth a change in course.

We went into this – eyes wide open, nothing has changed except for your sensitivities. Now you have lived it you are uncomfortable. So this is the change I think we are seeing.

Revisiting the challenges associated with fulfilling my responsibilities as General Manager are my actions related to finances that have left you concerned. You shared last week that me doing ESG taxes with Levidow left you uneasy, for what reasons I do not understand. I was only trying to fulfill my responsibilities of general manager to get taxes done so that we could have our K-1's in place to do our own personal taxes in a timely manner. What is more difficult to understand is how you claimed that working with the accountant was something I never had talked with you about and accused me of not involving you, when this is not true. I have an example of an email thread about their services on February 24th where you asked me for their information so you could pass it to Brad. I had shared verbally that I found an agency in north Scottsdale and you recommended I pass by there to talk about the taxes. We had Skype discussions from January regarding which accountant to use, and how keeping ESG accounting away from CPS was wise for discretion. I made an effort to make sure you knew the route I was pursuing and what was happening; updating you on the K1 process every time I got new information from the accountant. None the less, the way I was accused of going about trying to settle our taxes makes me feel like you think I was doing something sneaky or wrong. I cannot understand why when I am only trying to do my job.

The only issue with me here is we BOTH should have found time to talk it through.

During this time of elevated tension, I was caught by surprise with a new suggestion that I should not be signing checks issued to me. The comment was specific to payroll checks, but since payroll checks are direct deposit (just like CPS) and do not require signatures, the only other checks are reimbursements. Under normal circumstances, I could find this to be a harmless comment, but I am confused as to why after 1 year, this has now become a problem. As this was never brought up before, I must have done something to trigger this and caused a reason to have trust lost in me.

No I don't sign checks to me, I thought it prudent to advise you of the same, as I recall you agreed in an email or a Skype note.

During our conversation last week, you mentioned that there were other issues that were on your mind but you preferred not to bring them up at that moment. As disputes over money tends to be the

greatest cause of tension in relationships, and there have already been two listed above, I have now become concerned that you have other issues associated with how I have handled money with ESG. Again, I don't know what I did to lose your trust and make you uneasy about how I reimburse myself or work to complete the accounting needs that ESG needs done, but I feel like I am doing something wrong in your eyes. But I don't think I do anything to warrant this; in fact I think my financial relationship with ESG is far more abusive to my personal life because of the sacrifice I have taken to prioritize the success of ESG. When I left CPS, we had discussed that my benefits would be as they were with CPS and I should not go through any financial set back. But this is not the case, Both Ben Norton and myself have been sold short on what ESG has promised us because of our inability to adjust for the limited availability of Rebecca. In 2015, no one was able to collect retirement because we never had the time to get it set up and there simply was not enough money available to put into retirement through the first part of the year. The 3% matching that ESG was supposed to give its employees in 2015, stayed with ESG and the employees lost. The retirement that has been collected by ESG this year is still sitting in ESG's bank account and not invested because ESG continues to not have the available resources to set this up. In 2015, I paid all of my health/dental insurance from April – October. I never collected from ESG because the money was not there and I took on the burden myself because I believe in what we were doing and that it was worth it. To date, neither I nor Ben have made a fuss about the benefits we were promise and neither of us, until now, have made an issue of it because we are on board for the greater good of ESG. In fact, for the first 5 months of ESG, money continued to be thin enough that I was rarely able to get reimbursed for my travel expenses. It was only in October/November, after the 8 rivers contract was in place, that I could get reimbursed for expenses, such as the logo work and various other travels, from as far back as May. Evellyn and I were carrying the burden of these expenses on our personal credit card and having to find ways to manage our payments without being reimbursed immediately. Getting reimbursed was constantly getting deferred so that ESG could pay its other bills, but I never complained to you because I wanted you to have faith that I could manage it and me my family were committed to what I was doing. I consistently gave and continue to give me and my family the short end of the stick when it comes to money and ESG so that ESG is best positioned for success. But I have somehow managed to lose your trust regarding what is happening with the finances and I do not know why.

As I said the issue of trust has never entered my mind. Starting a new business is difficult and what you have lived for a year or so I have lived for 11 years. CPS is still paying me back for loss of salaries. In the big picture CPS has been good to me so I take the knocks with the good, generally I win. I have not benefited one penny to date from ESG. But again this note is about you and you have suffered because of no support from Rebecca. I don't know how to rewind the clock and do it better.

Building on the pressures that I feel from you that I am doing something wrong financially are the things that you will occasionally say that communicate further what my understanding has become of our relationship. In last week's conversation, you mentioned that I have been acting poorly for the last few weeks. The following are some events that I remember that fueled my poor behavior. While in Durham between Thursday and Friday, we had been discussing the issue of film cooling. This was a particularly sensitive subject to the customer and was a hot issue for all of us. Of everything that was discussed, what hurt me most was the disrespect you showed me by telling Walker, while looking me in the eye, on

an issue that I had shown passion on the night before, that "I'm going to show you something, Chris doesn't want me to show you this, but I am going to show you it anyways". From that, I heard that you were establishing dominance as the boss and you do things how you want, it doesn't matter what the team thinks. This supports the comments made last week that there exists miscommunication between us. I thought I was your partner, but I was treated as your employee.

Another example was when Danielle and I were introducing to you the Budget Justification for the Phase II proposal as a first iteration draft. This conversation was on the heels of another discussion we had regarding hardware design targets that resulted in elevated tensions between us. While showing the spreadsheet that was populated with the exact same strategy that we had used for phase I of the project, and describing the reduced rate required for CPS personnel according to the DOE rules, you stated that this was not acceptable as you were "Bankrolling ESG's entire operation". While this is true, and I think about it every day and feel indebted to the fact that this opportunity exists because of you, the hard work of the employees has also been a contributing factor to ESG's success and being bullied by money is no way to build healthy relationships. This would be like a husband telling his stay-at-home wife that she only has the money because he gave it to her. This is unacceptable to me.

I don't agree but this your opinion.

Another set of comments that have begun to be more frequent are the subject of Ben Norton. For several months, and most recently at John Junkin's Farwell party, you express thoughts that you think he is not doing his job and suggesting someone else as an alternative. I disagree as Ben is fulfilling his targets to bring in new contracts and has brought 3 new customers within Siemens that we have never worked with before (Xianming Cai, Fred Davis, Chad Cossier), with more customer in the pipeline.

I do not recall this conversation. I am not qualified to comment on Ben's contribution. I assume this is a miscommunication.

Additionally, he was hired because of the guarantee that he would come with FT work, but he has exceeded that over the last year by keeping work on Sharon's plate every week since she started. Moreover, while Ben is fulfilling his part of the contract, he is being patient with ESG, as mentioned above, regarding his benefits and not receiving them as promised. I do not understand what he is doing to let you down.

I don't even know what he is doing.

Before wrapping up, I must be clear that at no point do I blame Rebecca for the situation we are in. I see that she has done the best with what is being made available to her. When she started, the work was far less than what it is now, and she has tried very hard to keep up while we have not created an environment for her to do more. Please do not interpret any of my issues are targeted towards her and her dedication to ESG/CPS.

Well there is a lot of "at fault" in your letter, if it's not Rebecca and it's not you then it must be me. To summarize

I am solely to blame for the situation you now feel we are in.

All this being said I hope that you understand why I have been as I have. I genuinely am trying to do right by you and by what I believe is ethically right, but when I voice my concerns I feel they are often dismissed. Please don't think that for one minute I think I could do this alone, but I was invited to the party as a partner, and would expect to be treated as one, and not as an employee, which is what I feel like. The amount of stress that I have experienced over the last year is not what I would think is normal for starting a new business. I went from being a healthy person with exceptional bill of health during a physical to being pre-hypertensive and periodically breaking down into tears because of the stress at work. I enjoy the work I do and find great pleasure in working hard to achieve the positive results desired, but the stress associated with items mentioned above seem unreasonable.

I am sorry to hear this. It's come to this then I am both sorry to have you put through this stress and deeply regret ever starting ESG. To Summarize:

You are feeling deterioration in both your mental and physical capacities.

This letter was written because I think these items could be used as talking points for our improved communication. I would not have been able to share everything that I have here had we sat down and talked first, nor would I have felt comfortable to articulate this things in front of Maria as you suggested we do. In order for us to have better communication, it seems important to share where I am coming in an open and honest method. You mentioned that you have items on your mind that are concerning to you about my actions. I would like to understand what these are and work with you on how to improve upon them.

Chris

To summarize above:

1. You want ESG to be in the open
2. You want to get some air between CPS and ESG
3. You don't want to do Admin work or at least a lot less than you are doing.
4. You want help at the expense of risk
5. You have come to realize the concept of ESG (which is operating under its original concept) is not working for you.
6. You believe I am acting immorally and so is Tony.
7. I am solely to blame for the situation you now feel we are in
8. You are feeling deterioration in both your mental and physical capacities because of ESG (or me)

Seeing it from this perspective it may seem a bit radical but I think this is where I see your letter and how I have interpreted it. I have perhaps stated the letter as stark reality in this summary but I have taken time to read it and draw these conclusions from the body of the letter. While I believe I understand all of your points I also understand this is the way you feel. I claim you are wrong in some of your assertions and that you have allowed some degree of paranoia to overtake you, but this may be fully understandable. However I cannot offer you a solution to any of these items, neither do I think it prudent to enter into a dialogue about them because there is no solution that I can offer you.

Going forward I think we must admit to one another that ESG was a bad idea. We can call it a day and decide for ourselves a way to move ahead with our lives. ESG's finances can be returned to CPS if you think they were obtained immorally – I have no problem with that. Or we can split them in an equitable fashion. I would welcome you back to work for CPS; it was I think a happier situation for you. I am not sure that you will be overjoyed by that option either since you think me of differing character than when we went into this. That is of course your decision, I cannot change my character nor do I want to.